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# FINANCIAL TIMES

No. 26,753 Wednesday August 27 1975 \*\*10p

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CONTINENTAL: BELGIUM: 19.25; DENMARK: 12.75; FRANCE: 12.25; GERMANY: 11.75; ITALY: 1.30; NETHERLANDS: 11.50; NORWAY: 12.75; PORTUGAL: 15.00; SPAIN: 12.50; SWEDEN: 12.50; SWITZERLAND: 11.50.

## NEWS SUMMARY

**GENERAL**  
**Rees frees 6 as talks adjourn**  
Ulster's inter-party Convention talks adjourned to give the Social Democratic Labour Party's negotiating team until today to consider the Loyalist coalition's latest proposals for a new form of devolved government for the province.  
However, hopes for the talks are fading and the politicians seemed dangerously close to being eclipsed by the warring paramilitaries, writes Giles Merritt in Belfast.

**BUSINESS**  
**Equities trimmed after early rise**  
EQUITIES were encouraged by the recent rally on Wall Street, but a late bout of profit-taking trimmed back earlier rises. The FT 30-share index, after reaching the day's best at 3 p.m. with a rise of 8.1, ended only a net 3.5 higher at 319.6.  
GILTS were overshadowed by equities and traded quietly.

**Amin's threat on Hills book**  
President Amin of Uganda has threatened to call off compensation talks for seized British property if publication of the White Pumpkin by British lecturer Denis Hills goes ahead later this year.

**Edwards bailed**  
Ronald Edwards, 44, on parole after his great train robbery conviction, was released on £500 bail at Marlborough Street after giving notice of appeal against a six-month jail sentence for shoplifting from Harrods.

**Daubers fined**  
Three unemployed men who daubed "Davis is innocent" on the Old Bailey building were each fined £10 and ordered to pay £50 damages at the Guildhall. They said they were not part of the Headingley campaign.

**North Sea hoax**  
A check on three gas-producing platforms in the North Sea by divers, following a bomb warning on Monday, found nothing. But calls for tighter security to prevent sabotage to vital oil and gas off-shore installations are expected in follow-up. News Analysis, Page 7.

**Bihar floods**  
Troops are to undertake a massive rescue operation in Patna, capital of Bihar State, India, which has been hit by the worst floods in memory. Half the city has been under water since Monday, while monsoon damage is widespread in many states.

**Maltese cures**  
British United Provident Association, the largest medical insurance group in the U.K., may take over and manage a new British-designed hospital in Malta for the benefit of its U.K. subscribers. Page 7.

**People and places**  
Gallagher is increasing the prices of his tobacco by 1p, small cigars by 2p for 10 and large cigars by 1p each, and cigarettes except for long-size (unchanged) by 1p for 20 from today.

**Antire racecourse, home of the Grand National, is to be put up for auction in London on October 16. Page 7.**

**Paddy Roberts, president of the Songwriters' Guild of Great Britain and composer-singer of The Ballad of Bethnal Green, died at Dartmouth, Devon, aged 65.**

**Black Dyke Mills from Yorkshire have been banned from this year's British brass band open championship because of a harrack of successes.**

**London Transport is to hire private coaches as a "temporary measure" to overcome its shortage of buses. Page 7.**

**British Airways overseas flights from Heathrow were delayed for up to 75 minutes when loaders walked out on a lightning strike.**

## Agreement reached on new Sinai separation lines

BY L. DANIEL, TEL AVIV, August 26

Israel and Egypt have reached agreement on the new lines of separation to be established between them in Sinai, as well as on most other hitherto unsolved problems.

The agreement, which may be initiated by the end of the week, emerged after more than six hours of deliberations today between the Israeli and Egyptian teams and Mr. Henry Kissinger, the U.S. Secretary of State.

Mr. Kissinger returned from Alexandria late last night with an Egyptian draft of a part of the proposed agreement. Following today's long session he took off again for Alexandria, this afternoon with the complete draft of the agreement as proposed by Israel.

In Alexandria a spokesman for President Sadat confirmed that Dr. Kissinger had secured tentative agreement in his latest mission though there were some problems to be resolved over the drafting of the legal language.

Both sides appear to have made concessions. Israel will permit the entry of Egyptian military personnel into the area in the neighbourhood of the Abu Rudeis oilfields. Egypt on the other hand will not insist that her forces advance beyond the current buffer zone in Sinai in the region of the strategically placed Mitla and Gidi passes which dominate the flatlands of Sinai to the East, rising to the Israeli border, according to Israeli sources.

The concrete terms this means that the Egyptian forces now stationed on the East side of the Suez Canal (in the so-called zone of limited armaments) will advance eastward, by between one and five miles.

The UN forces will henceforth be laid down for dealing with a wide demilitarised zone in Sinai. Another point which would seem to have been settled is that of the forward early warning stations. The one considered

separate the two sides, and it is hoped here that this will set a precedent for an increasingly wide demilitarised zone in Sinai.

Continued on Back Page

**Anti-inflation leaflet warns of 'critical' year**  
BY RICHARD EVANS, LOBBY CORRESPONDENT

THE BATTLE to control inflation cannot be won in a year, but the next 12 months will be critical if Britain is to avoid national bankruptcy, according to the Government's explanatory pamphlet to be distributed to every household.

The 16-page pamphlet published today is the second phase in the Government's massive publicity campaign to consolidate public opinion behind its anti-inflation policy. It will be distributed to 21.5m. homes in the first three weeks of September.

The theme of the pamphlet, which has been drafted by the Counter-Inflation Publicity Unit set up last month, is that the drive against inflation will work only if it has full public support.

The pamphlet, which contains newspaper style headlines often underlined in red, emphasises that there are no provisions for prosecuting trade unionists who break the 56-week limit on wage increases. "It is based on voluntary agreement and on public consent."

But any employer who breaks the limit would not be allowed to pass the cost on by raising prices. If there were determined attempts to get round the policy the Government will be prepared to use further powers, the pamphlet states. But the form these powers might take is not spelt out.

## London pay move for civil servants

By Christian Tyler, Labour Staff

THE GOVERNMENT has opened the way for a stream of pay increases for public service workers in London by opening negotiations with its 140,000 civil servants there on cost-of-living allowances.

Civil servants will bargain for increases of between 80p and £1.80 a week, exempt from the national 56-week pay limit, on their London weighting allowances.

The Government's decision will have an immediate impact on an estimated 1m. public sector workers in the capital, and possibly as many again in the private sector, although several companies have already raised their staffs' London allowances.

Despite the resentment such increases will cause outside London, weighting increases were mostly due around June or July and have been delayed only by late publication of special London cost-of-living indices by the Department of Employment.

Those who last had a London weighting increase on or after the August 1, starting date of the new policy, like the clearing banks staff, will have to wait until their increase against the £8 limit.

**Angry councils**  
The decision will anger London borough council employers, who maintain that to pay the increases, even though technically correct in most cases, sets a bad example at a time of national restraint.

They will tell Ministers on Monday that if they are compelled to follow the Civil Service example then the Government must meet the full £15m. cost of settlement with their 250,000 employees.

Civil Service unions want the Inner London allowance of £410 a year raised to £500 and the London allowance from £260 to £300. They will be told of the decision in a letter from the Civil Service Department today.

Department of Employment indices, which update the figures laid down by the Pay Board last summer, show that the cost of working in the capital has risen by just over 20 per cent. in Inner London and nearly 18 per cent. in the suburbs.

But the ACAS has decided that it does not want to act as the depository for difficult cases and no joint CBI-TUC procedures have been set up. This, says the CBI, which is represented on the ACAS governing council, creates difficulties in the practical operation of the guidelines.

Announcing this in its Industrial Relations Bulletin yesterday, the CBI also announced that it is about to publish extended guidance on the operation of the policy. This includes publication of its wages guidelines together with a summary of recent legislation and changes in the Price Code in booklet form, available from the CBI price 75p per copy.

Editorial comment Page 12

## Kaunda and Vorster seek to save talks

BY TREVOR GRUNDY

LIVINGSTONE, ZAMBIA, August 26.

A COMPLETE breakdown of the Rhodesia talks appeared to have been averted here today by the intervention of Zambia's Dr. Kenneth Kaunda and South Africa's Mr. John Vorster, who may be able to provide a way out of the impasse over the question of Mr. Smith allowing certain African nationalist leaders into Rhodesia.

Dr. Kaunda said that if Mr. Vorster guaranteed the safety of the African National Council leaders, it would be possible for the talks to continue. Meanwhile, there were indications that under pressure from President Kaunda and Mr. Vorster, deep splits might be appearing in the ANC leadership.

Mr. Vorster left here last night after his historic visit to Zambia. But Dr. Hilgard Muller, his Foreign Minister, stayed on and talked first to the Zambian Head of State and then to Bishop Abel Muzorewa, head of Rhodesia's African National Council.

Afterwards a tired but still confident-looking President Kaunda told reporters that he was prepared to trust Mr. Smith and only provided ANC leaders such as James Chikema and the Rev. Ndabaningi Sithole had their safety guaranteed by the South African Premier.

The President's impromptu Press conference had little in common with the one held half an hour later by Bishop Muzorewa, who said that Mr. Smith had "wrecked" the conference and had failed to sign a document giving immunity to the return from the Victoria Falls, he had received a message saying that the ANC was prepared to attend committee stage discussions inside Rhodesia as long as all its delegates were granted freedom of entry. This, said Mr. Smith, was quite unacceptable.

Although the outcome comes as no great surprise to political commentators here, the crucial factor, it is felt, will be the full backing of Zambia, Rhodesia and South Africa for a settlement within Rhodesia.

Mr. Vorster has apparently told the Rhodesians that if they are responsible for the collapse for Lusaka to visit his wife who is recovering from an operation. The Rev. Sithole, leader of the now defunct ZANU-wing of the Nationalist movement, was said to-night to have been asleep during the important and perhaps significant Press conference.

Tony Hawkins reports from Salisbury: Talks between the Rhodesian Government and the African National Council have collapsed. Mr. Smith announced to-night. In a statement to Parliament, the Rhodesian leader placed the blame squarely on the shoulders of the ANC, who, he said, had been determined to ensure that the talks failed.

The ANC had refused to abide by the Pretoria agreement by demanding that the ANC men living outside Rhodesia should be entitled to return and participate in the committee stage discussions.

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President Kaunda—plea for ANC safety

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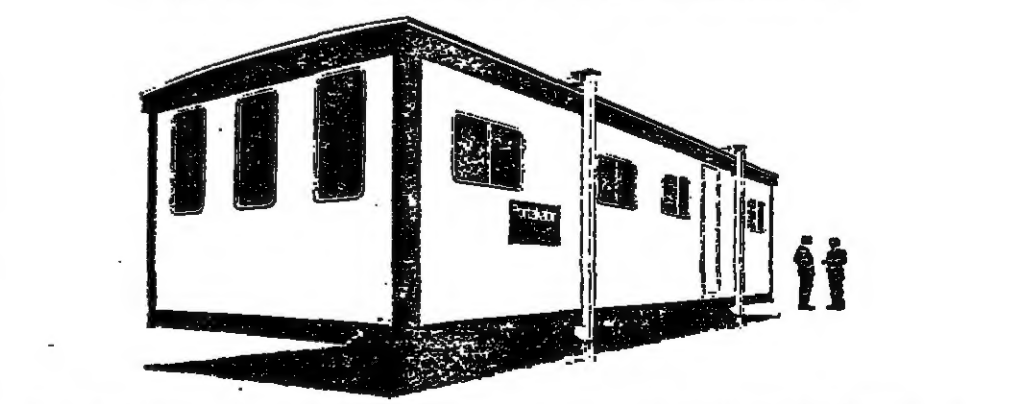
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LOMBARD

# Reading the tea-leaves

BY ANTHONY HARRIS

Michael Evans, the president of Chase Econometrics, has just forecast that the present U.S. recovery is simply the prelude to a worse recession next year. He thus completes a spectrum of forecasts which, according to Morgan Guaranty Trust, which has been polling U.S. business economists, ranges otherwise from continuing flat (1 per cent. growth) to a recovery continuing at a spanking rate of 10 per cent. You may take your choice if you wish, but anyone who is paying good money for such a range of forecasts deserves a rough time at his next annual meeting.

## Impossible

The collapse of the economic forecasting industry in the last year or two (and our own Treasury's record shows that the disease is certainly not local to the U.S.) is one of the most significant of all business and professional failures, for it knocks away the whole underpinning of policy.

It is quite impossible to steer an economy—anything else, for that matter—unless you have some idea of what course you are on in the first place. It is small wonder in the circumstances that policy is driven back to the old, dog-eared rules of monetarism: for Milton Friedman's deeply negative message—that any change of policy is at least as likely to make matters worse as to improve them—thus proved true by those who do not themselves believe it. A logical monetarist will naturally refrain from macro-economic forecasting: he has some idea of the likely development of money incomes, but is fairly much in the dark, if he is honest, about how much of any forecast change will represent inflation and how much growth.

What has gone wrong? Until recently, growth forecasts were usually correct within a percentage point or two, and the turning points could be mapped ahead with fair accuracy. As forecasting gained a reputation for useful service, it became a growth industry: forecasting counts were enlarged, their calculating power increased by many orders of magnitude with the aid of computers, and every self-respecting bank or stockbroker produced forecasts now.

To be fair, this growth was bound to make things look rather worse: the greater the population of forecasters, the greater the normal range (in the statistical sense) of the forecasts offered. All the same, the errors made recently by some of the

best-established practitioners—Government departments, learned institutes, the OECD—would have gone far to discredit the craft even if nothing had been heard from the mixed crowd of acute thinkers, lunatics, visionaries and confidence tricksters who have joined the party. It is harder than ever to put any confidence even in a central average of the available forecasts.

What has gone wrong? First, I suspect, the development of economic models has been carried a great deal too far. A computable model necessarily rests on a number of assumptions—about the relation between income and expenditure, for example—which imply a foundation of changing relationships. But in the words of a current report on the climate, "the good and stable weather of the 1960s and early 1970s was unusual, and cannot be expected to continue" (this is a collector's sample of false logic, but seems at the moment to be a correct forecast).

## Cycles

Two of the more important changes in the economic weather have been the convergence of business cycles, and the (partly consequent) collapse of apparently sound financial institutions. As long as countries pursued varied and unsynchronised business cycles, the average international "weather" affecting any individual country didn't change much. That is no longer true. The doubt that now hangs over the creditworthiness of so many companies (see, for example, today's news from Japan) has probably made an equally drastic change to the normal monetary-credit relationships of the past. A clearer study of the international scene, of financial markets and balance sheets, could produce better forecasts.

Finally, there is the effect of the forecasts themselves on the events they forecast. Some tend to be self-justifying: a forecast of boom, so far as it is believed, will promote boom. Some are self-falsifying: forecasts of low oil prices discourage the investment which would bring prices down. Oddly enough, we hear much less about this possibility than about the far less likely thesis that opinion polls tend to mould opinions, and research is needed here too.

However, such research is hardly urgent at the moment. As long as forecasting is, in such disarray, we can at least stop worrying about its influence on decisions.

## GARDENS TO-DAY

# Cool tunnels and arches

BY ROBIN LANE FOX

GRASS, SHADE and water have often been singled out by ambitious landscape gardeners as the three basic elements in their gardens. Plants, to such rarefied eyes, are a decoration, if not an intrusion. Grass presents no problems, as it usually grows whether we want it or not; water can be contrived, I suppose, if you have more patience and money than I do for the excavation of suitable ponds.

## Bold design

When introduced, water has a way of looking out of place, especially if you limit it to some frilly shape or make it lie on top of a hill. Recently, though, I was much impressed with the bold new design of a friend's half-acre garden on the edge of a town. He had divided it into two levels, the whole being overlooked from a higher balcony at the back of his house.

The far end was the higher of the two, but not quite as high as the level of the balcony: it had been turned into a flat sheet of water, as shallow as such ponds can be, and was conceived as a frame for the tall plants, trees and sky around it.

From the house it looked admirable. Reflections of shrub willows, old roses and a silver poplar, that neglected tree, played on the surface of the water; the sky seemed to have come down into the garden. The balcony became a platform for viewing the scenery, like those elevated terraces which were placed by Japanese landscape gardeners for the ceremonial viewing of cherry trees and spring greenery.

Provided that you have no children who will fall into the water, this simple design, combining water with two different levels in order to make a mirror, would be easily applied and maintained. In a formal setting I am sure that there is an advantage in enlarging a pond so that it dominates its enclosed surroundings.

Mill-ponds look charming for the same reason, and visitors to the National Trust garden at Elstow in Gloucestershire may remember how circular ponds there are allowed to spread across one of the small hedged gardens to very fine effect.

All this is rather complicated. Probably you will come to rest with the simple design, with no water, so you might as well resign yourself to its absence. That leaves you with the possible feature of some shade. We can

all contribute something here, and although the hot weather disappears as soon as I have decided how to add more shade to my garden, there are ways of enjoying it more quickly and unusually than you might imagine.

We have been slow in Britain to make proper use of tunnels and arches. Germany and Switzerland have left some charming tunnels of willow, plane and hornbeam in my memory and on hot days a cold gust of air would sweep down their length and refresh anyone who set foot in their half-light. Windows can be clipped in the branches on either side and mirrors can be placed at the far end to give light: there are some famous imitations in this country, notably at Kensington Gardens and in the Laburnum walk at Bodnant, but on the whole we have not used the idea very imaginatively.

It does not have to be grand. If you persuade a blacksmith or scrap-metal dealer to give you some high iron hoops bent so that you can walk underneath them, you need only space out four or five a yard or so apart and train plain wire across the intervals, gaps in order to make a frame for a short dark tunnel of your own. A short run is easily placed in most gardens.

## An old idea

A path which leads down to the bottom of the garden can end very pleasantly under such a length of green arches. The slight obscurity gives it more interest than if it ran out into full view, hard and pebbled to meet an ugly boundary fence. A height of about seven feet suffices for the arch. The idea is a very old one, as can be seen from Bacon's famous Elizabethan essay on gardens where, while describing a design which would not wish to carry out, he remarks on the pleasantness of arched alleys of greenery alongside a central space of open lawn.

Beech, hornbeam, plane, lime and, most rapidly, willow are suitable trees for training and clipping over such a frame of wire and iron hoops. You must, however, continue to clip them, and a willow will need to be clipped twice yearly. For a shorter run, the plant False Acacia (listed as Robinia) is extremely pretty, and you could well combine the newer gold-leaved Fraxino with the old-fashioned Robinia. Despite their occasional thorns, their stems are easily bent, as gardeners who have tried Acacias as a screen in windy

gardens will be aware. Eventually they will flower, Fraxino along with the rest of them.

There is not much point in shading an arch with climbers which flower on their topmost branches, facing upwards. On a length of tunnel, flowers on the upper surface are hardly visible. Hence the fashion for pendent Laburnum which is so obliging and so very beautiful as its flowers hang down: wistaria is another possibility, though not quite so easily contrived.

In France there are handsome short arches of the flexible Judas Tree, as easily bent as a willow. But it takes a hot summer for us to see the best of this here as it does not flower readily without a warm season's ripening of its wood.

Shade, of course, does not bring tall flowers, a point which entails the loss of last week's size. If you despair of growing your own regular grapes, remember that the vine remains a charming shade. Not for nothing did it become an early Christian symbol of paradise, under which the faithful would be sheltered from the heat of a Mediterranean day.

Very quick shade is available in the bold and coarse-leaved Vitis Coignetiae, an inflexible climber for unpleasant walls or a frame for a short dark tunnel, and a raspberry-red autumn colouring are not out of place. It grows too abundantly for my taste, and I have come to prefer the smaller-leaved Vitis Davidii: you may prefer to make more of a rapid splash with Coignetiae, a splendid screen.

The varieties of fruiting vine will also give you shade, if you want something more Mediterranean: I would rather indulge in swaths of Virginia creeper, placed to the west where the sunset will run along their reddened autumn leaves. On an arch or pergola it will throw long shadows down vertically into your wide tunnel, as if in some background to a Tarzan movie.

## Vigorous

The tunnel, though, has to be wide, as the best varieties are very vigorous if you give them a fair start. Parthenocarpous Inserta is a good one to choose, if you have the space, for it is self-clinging, but on an arch this is not a disadvantage. It will wrap itself round wire or iron supports and dangle down into the shade beneath; when autumn is first in the air, your shaded garden will win the prize for greenery and contrast. It is best planted at a time when you no longer wish to retire into the half-light and sit recovering from the heat of the day.

# JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

DIVIDEND NO. 99

A final dividend (No. 99) of 125 cents per share in the currency of the Republic of South Africa has been declared in respect of the year ended 30th June, 1975. This dividend together with Dividend No. 98 of 40 cents per share paid in January, 1975 makes the dividend declared out of profits for the year 165 cents per share (1974: 135 cents per share).

The dividend is payable to members registered in the books of the Company at the close of business on 12th September, 1975 and to persons presenting to the London Beaser Reception Office Coupon No. 99 detached from share warrants to bearer in terms of a notice to be issued by the London Secretaries and published in September, 1975.

The dividend is declared, subject to conditions which can be inspected at or obtained from the Company's Johannesburg Office, the Office of the London Secretaries (Barnato Brothers Limited of 27 Austin Friars, London EC2A 4HX).

Subject to the said conditions, payments by the London Secretaries and the London Beaser Reception Office will be made in United Kingdom currency at the rate of exchange quoted by the Company's bankers on 30th September, 1975: provided that in exchange on that day, then the currency of the Republic shall be converted at the rate of exchange quoted by the Company's bankers on the next succeeding day on which such a rate is quoted.

Dividend warrants will be posted from either the Johannesburg Office or the Office of the London Secretaries, as appropriate, on 9th October, 1975.

South African Non-Resident Shareholders' Tax at the rate of 15% and United Kingdom Income Tax will be deducted from the dividend where applicable.

The Share Transfer Books and Register of Members will be closed from 15th September to 19th September, 1975, both days inclusive.

## UNAUDITED PROVISIONAL CONSOLIDATED FINANCIAL STATEMENTS—YEAR TO 30th JUNE, 1975

	1975	1974
<b>SUMMARY</b>	<b>R28,669,000</b>	<b>R21,994,000</b>
Profit attributable to Equity Shareholders	408c	310c
Earnings per Share	40c	35c
Dividend per Share—Interim	125c	100c
—Final	165c	135c
—Total	5,309c	5,220c
Net Asset Value per Share	7,105,600	7,105,600
Total Number of Shares	(8,000's)	(8,000's)
<b>INCOME STATEMENT</b>		
Income from Investments	26,092	24,420
Net Surplus on Realisation of Investments	3,782	55
Net Trading Profit before charging interest and depreciation	15,380	7,151
Profit on Sale of Marketable Properties	928	892
Fees and other Revenue less Administration expenses	1,983	761
	<b>46,165</b>	<b>33,399</b>
<b>Deduct:</b>		
Exploration Expenditure less recoveries	3,666	3,299
Interest paid less recoveries	4,515	3,232
Depreciation of Fixed Assets	2,114	1,532
Group Profit before Taxation	37,850	26,296
Taxation	5,038	1,585
Group Profit after Taxation	32,812	24,711
Outside Shareholders' Interest	2,705	1,392
Preference Dividend	1,238	325
Attributable to Ordinary Shareholders of J.C.I.	28,869	21,604
Ordinary Dividends	11,724	9,948
Profit Retained	<b>17,145</b>	<b>12,656</b>
<b>BALANCE SHEET</b>		
Investments—at cost less provision	160,115	152,511
(at market or directors' valuation)	(365,181)	(320,373)
Loans	13,337	7,485
Marketable Properties and Mining Prospects	20,488	16,577
Fixed Assets	31,517	17,222
Mining Assets	45,851	14,881
Goodwill arising on consolidation	4,817	3,887
Current Assets	120,891	80,901
	<b>397,716</b>	<b>286,754</b>
<b>Deduct: Current Liabilities</b>	<b>115,580</b>	<b>84,740</b>
<b>Net Assets</b>	<b>282,136</b>	<b>202,014</b>
<b>Financed by:</b>		
Equity Shareholders' Interest	171,887	152,298
Long and Medium term Loans	79,002	32,405
Outside Shareholders' Interest	16,267	8,371
Preference Share Capital	15,000	15,000
	<b>282,156</b>	<b>208,074</b>

Notes:  
(i) Net Trading Profit includes the results of Tavistock Collieries Ltd., which became a subsidiary during the year.  
(ii) The increase in long and medium term loans arose from increased borrowings by certain subsidiary companies which are establishing new mines, and the raising of a \$37m. medium term loan in the Euro-dollar market.

By Order of the Board,  
ALBERT ROBINSON,  
F. J. L. WILSON,  
DIRECTORS.  
Head Office and Registered Office:  
Consolidated Building,  
cor. Fox and Harrison Streets,  
JOHANNESBURG.  
26th August, 1975.

## TV Radio

### BBC 1

Indicates programme in black and white.  
10.00 a.m. Weekly Races. 10.10 Robinson Crusoe. 10.35 Josie and the Pussycats. 1.30 p.m. Camberwick Green. 1.45 News. 2.25 Regional News (except London). 4.55 Play School. 5.15 The Shining Princess. 5.40 Sir Prancelot. 5.45 News. 6.00 Nationwide (London only). 6.30 The Red Balloon. 6.55 It's a Knock-out. 8.10 Softly, Softly: Task Force. 9.00 News.

9.25 I Didn't Know You Cared. 9.55 The Diane Solomon Show. 10.25 Union Men: The Growth and Influence of the TUC since the débacle of the General Strike. 11.15 Success Story. 11.45 Weather/Regional News. All Regions as BBC 1 except at the following times:—  
Wales—1.30-1.45 p.m. O Dan y Mor. 5.15-5.35 Maldwynwyn. 5.35-5.45 The Changers. 8.00-8.30 Wales To-day. 8.55-9.20 Heddw. 9.20-9.30 Star Trek. 11.45 News and Weather for Wales.

Scotland—6.00-6.20 p.m. Reporting Scotland. 11.45 Scottish News Summary.  
Northern Ireland—4.25-4.35 p.m. Northern Ireland News. 6.00-6.20 p.m. News Around Six. 11.45 Northern Ireland News Headlines.  
England—6.00-6.30 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

All ITV Regions as London except at the following times:—  
**ANGLIA**  
1.25 p.m. Anglia News. 2.00 News. 3.30 News. 5.30 Arthur. 6.00 News. 6.30 News. 8.00 News. 8.30 News. 11.00 News. 11.30 News. 11.50 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 1.50 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 11.50 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 1.50 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 11.50 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 1.50 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 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The cast of 'Happy End' which opened last night at the Lyric Theatre

## Television

## Why?

by CHRIS DUNKLEY

Some of the reactions to Thames Television's two-part programme *The Final Solution: Auschwitz* have been truly astonishing. They have amounted to a yawn, a shrug, and words to the effect that "We've seen it all before." I had certainly not seen it all before, and I doubt whether anyone outside the ranks of the film researchers on *The World At War* has either. The research effort for that series (to which these two programmes formed a sort of coda) was intense and worldwide, and the results unique.

More important, though, there could never be justification for dismissing material of this nature as old hat even if everyone had seen it before, so long as there was any possibility of a "final solution" being attempted anywhere ever again. Instead of being set aside as a stale repetition this compilation of film and interview material should be stored carefully and shown once every five years or so as a reminder to successive generations of teenagers.

For myself, it has taken these two television programmes to change my concept of the word "genocide" from a somewhat spectral abstraction to a stomach-turning reality. I was not born when the Nazis started murdering Jews in Auschwitz. I remember that my first experience of the idea of genocide occurred in the mid-fifties when a fellow Boy Scout on a train to a week-end camp gave me a paperback copy of *The Scourge Of The Swastika*. I have never looked at the book since because I gathered only vaguely what was being described and the very vagueness brought with it that familiar terror which so often accompanies ill comprehension in youth.

Subsequent books and programmes—notably the *Genocide* episode in the main body of *The World At War*—have slowly filled in details, but I had to wait for these two programmes, written and directed by Thames by Michael Darlow, before gaining a full enough understanding of what Hitler's "final solution" meant for that terror of the misapprehended to disappear and to be replaced by a much greater degree of horror

as realisation was built up, brick by unemotional brick. That such programmes should be unemotional seemed odd at first. Then came the realisation that the only alternative would be expressions of emotion so deep and so extreme that the programmes could never have served their purpose, which was to do what television does best: to show us what and where, when and who and, most valuable, how. Considered in this dimension alone, as a technical exercise in splicing together a historical narrative on film, using material from dozens of different sources (and getting some sort of a quality match), the result was a brilliant success; astonishingly so, as a technical exercise by the Nazis' extraordinary love affair with the film camera.

The programmes started with Himmler's development of the SS and ended three television hours later with the Allies overrunning the concentration camps. On the way they did one thing that no other television programme, book or film has managed to do for me: they managed to show how someone other than a demonic, bullying figure, have come to join the SS. Most literature and film on the subject has been so anxious to show the SS in the worst possible light, and concerned so exclusively with horror stories, that one has been left as mystified at the end as at the beginning over the question of how any half-way normal man could have been enticed into such an organisation.

The first of these two programmes, however, showed Nazi film of the SS training school which made it look like a cross between the Outward Bound and a musical week-end in Snowdonia. It was all so easy to imagine how this sort of thing could appeal to "moderate" parents as the very place for their sons (particularly during a time of inflation and high unemployment), it all looked so exceptional—the swimming, the discipline, the Beethoven, the skiing, even the porridge specified by Himmler himself because he admired the way it had produced empire-builders out of English public schoolboys. None of this explained Karl Wolf's willingness to appear on screen now, 30 years later, and

talk as though he were the observer of some rather tasteless and puzzling joke: he was, after all, not an insignificant one but Himmler's adjutant. But, it did crash at the back of her own neck, and then her account of her escape with wounds—"When morning came the corpses had settled; it was easier to get out"—this was as harrowing; it seemed to me, as television could ever be with justification.

Yet at the end, having been finally enabled by the two programmes to apprehend what the "final solution" really entailed, there was still a lack of understanding which was frightening. Not only did the programmes never manage to indicate why Hitler and the Nazis decided on such a methodical course of extermination, they never really tried, and one must assume that this omission was deliberate. Throughout the three hours I noticed two vague references to a possible explanation, and both were at the beginning of programme 1: the commentary referred to fear of the Jews being as old as Christianity itself, and a little later Hitler's "Nazis could build on centuries of anti-Jewish propaganda." No doubt this is so, but I have never heard it seriously suggested that the Nazi hatred of Jews was religious (not in any theological sense, anyway).

## The Entertainment Guide is on Page 4

"The trains ran like a dream," and the programme showed exactly how, just as though Darlow had been able to go out and direct his own camera crews on the ground. We saw the departure from the ghetto; the arrival at the transit camp; even footage inside the "labour office" at the transit camp; the Tuesday morning train of cattle trucks leaving the transit camp for the concentration camp; the arrival there to be met by the baggage squads who all traces of the last train load, and so on, right up to the stills smuggled out of Auschwitz showing naked victims going through the trees to the "showers"—showers of Zyklon-B.

Where even the Nazis had balked at filming inside the cattle trucks during the long journeys, for instance—we were supplied with detailed accounts by survivors. The dispassionate tone of these descriptions was, again, almost shocking, but passionate with the situation would have made the programmes unwatchable. As it was the description by a Russian Jewess of being taken out to be

shot in a communal pit, of seeing her daughter, mother, father and sisters shot, of feeling the crash at the back of her own neck, and then her account of her escape with wounds—"When morning came the corpses had settled; it was easier to get out"—this was as harrowing; it seemed to me, as television could ever be with justification.

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There is no question of finding fault with Darlow, or the rest of the production team, for not answering the question in these programmes: *The Final Solution: Auschwitz* was clearly never intended to do so. It was intended to show the service of elucidating the "how?" it would have been even more admirable if Thames could have made a third programme, probably nothing to do with archives, but to tell us why: why did Hitler, Himmler, and the other Nazis so hate Jews that they were willing to commit the worst crime in history? Until an answer is supplied to that question in a form comprehensible to me and the general public then there is not much point in telling us, as the second programme did, that racial intolerance is still with us, and that we all have a responsibility to ensure that no one builds another Auschwitz. Certainly—but which are the clues we are to watch for?

This year's Festival Opera production, seen on Monday night, is an all-star *Figaro* conducted by Barenboim, produced by Sir Gervase Evans, who sings the title role. From a cast also including Heather Harper, Ileana Cotrubas, Teresa Berganza, and Fischer-Dieskau, there was some remarkable singing and, since these artists are all musicians as well as vocalists, dependable ensemble works. Yet the greatest interest remained in the orchestra, the English Chamber Orchestra, which was alternately relaxed, illuminating, and puzzling.

There was a general if not consistent tendency for arias to be quick, ensembles leisurely. The leisurely moments allowed a great deal of detail to come through (a Mozartian orchestra is just right for the King's Theatre) and the ECO responded with the kind of relaxed glow more often heard in first-rate performances of the piano concertos than in the operas. Dramatic ends were not so well

served. The relaxation that worked so well in individual sections meant that the second act, conducted by Barenboim, seemed to jerked it into life at the very end. "Contessa, perdono!" Cotrubas, in the last act, was given a breadth that with less ample voices would have been dangerous. But what one will remember most are the good things—the beauty of the woodwinds playing softly round Berganza's humbly plaintive tones in vol. che sapete." The sudden shafts of light Barenboim let into the orchestral part of *Figaro*'s last act, were far more than the usual braying horns stood in sudden relief. What an operatic conductor he may become if he will consider the score more as a whole, and settle down, and stop doing so much of everything else!

Notes on the singers must be unsuitably brief. First, the voice, is by now a wily old game-cock, a tough opponent for even so formidable a local tyrant as this Almaviva. An all-star

amount of over-animated direction. Cherubino's aria already mentioned was the still centre of the evening. Cotrubas had enchanting moments which grew more frequent as the evening went on, but she must persuade Barenboim to take "deh vien!" less quickly. Harper's Countess Almaviva was securely voiced with grand, well-rounded tones, but strangely impersonal, with nothing more in the way of character than an amiably stolid dignity.

The Almaviva of Fischer-Dieskau towered over the women folk with the face of a tom cat, cold eyes and a mischievously pursed mouth. He used the full gamut of vocal inflections, with a virtuoso display in the recitative, pushing them occasionally to speech-song and beyond. A remarkable demonstration, though not a model for young singers. Gervase Evans' Figaro, in fine voice, is by now a wily old game-cock, a tough opponent for even so formidable a local tyrant as this Almaviva. An all-star

*Figaro* tends in the nature of things to present a physically mature view of the character, but it was hard to accept Birgit Finnila's blunt, prime-of-life Murellina as this *Figaro*'s mother.

Sir Gervase has apparently described himself less as producer than as "co-ordinator of a group of singers, or friends." The result is rather like a joint master-class, with a great deal of illustrative movement, not enough repose, and a jumble of bright and not so bright ideas. Antonio the gardener entering by climbing a ladder up to the balcony was among the former. Cherubino perambulating in a hoopier petticoat before climbing into the chair among the latter. There was nothing remotely approaching the distinction and new understanding of Peter Hall's Glyndebourne *Figaro*, John Fraser's garden set for the last act, operetta-corny with cypress avenues, starchy sky and fireworks, is nevertheless nicer than its vulgar and improbable predecessors.

## Royal Lyceum

## EDINBURGH FESTIVAL

## How Mad Tulloch Was Taken Away

by B. A. YOUNG

Tulloch is a private soldier in the 1st Mackenzie Highlanders. His comrades call him mad when we first see him in a bar with his loyal band of fellow soldiers, meaning that he is always at the head of any risky venture in barracks or in action. But later, people whose standards are more nearly attuned to the defence of convention come to believe that his growingly eccentric conduct suggests real insanity.

John Morris, author of this interesting play, has charted the last months of Tulloch's service in a series of short scenes that suggest the contents of a snapshot album, for people and events are reduced to the basic elements that would survive in a simple soldier's mind in recollection.

The author was himself a soldier, with 14 years' service in the Seaforth, and I was convinced that the detail of service life in the play showed existence as it would seem to a soldier who had never bothered much to analyse what he saw or question why it happened.

So the Provost-Sergeant and his RPs are military robots who perform all their duties by machinery. When Tulloch sets fire to the Regimental Museum, the Sergeant (a colourful characterisation by Rikki Fulton) parades the duty fire picket and inspects their turnout before giving the order "Prepare to extinguish fire. Extinguish FIRE!" Tulloch's Company Commander, a rigid major (Timothy Cartton) thinks about little besides power and discipline. The Padre (John Grieve), fighting a losing battle against a loss of faith born in the Western Desert, can offer no help but a random selection of Old Testament quotations, sometimes wildly inappropriate.

Only Tulloch is shown in any depth, for it is in his mind that all these images exist, after long and good service, he has begun to ask himself questions. He is, unfortunately, not a particularly intelligent man, and doesn't know the right way to go about challenging things. But enough, he reproves a comrade for wanting to go into civilian life and be a wage-slave. Not improbable that on a drunken evening

he should throw a stone through the Guard Room window. But matters get worse. He jumps onto a table in the canteen and wildly lectures his comrades. He burns down the Museum because he believes that, once the Regimental pictures and souvenirs are gone, the men they refer to will cease to exist.

His life is further complicated by an affair with his company commander's wife (Vivien Heilbron), but as presented by Mr. Morris these scenes are too roughly imagined to ring true, and the climax that leads to Tulloch's death is altogether too melodramatic. The play, in fact, so admirably organised (it then begins to go to pieces after the fire. Most particularly, it goes on too long after the death of its hero. Once Hamlet was dead, Shakespeare allowed one strong scene to knit together all the threads in the play. Mr. Morris follows Tulloch's death with a series of short scenes that are quite dramatic, but the dramatic climax. No new playwright—this is Mr. Morris's first play—should be too proud to learn from his elders.

Bill Bryden's production of

the play shows complete understanding of its world. This world (set by Hayden Griffin) is contained in a great rectangular concrete coloured box to which entrance is commonly made through smister sliding panels. Such scenery as there is, is banded in drill movements, by a squad of soldiers under the Provost Sergeant.

Only two scenes are presented realistically, the bar at the beginning of the first act and the canteen at the beginning of the second. The rest is done on a dark stage with the detail superbly picked out by Andy Phillips's lighting.

There is little call for depth in the acting. James Grant keeps Tulloch a soldier even when he is being unsoldierly, a vital feat: his constant companions, played by Paul Young, Ian Ireland, Alec Hoggie, are soldiers to the toe caps of their boots. John Grieve extracts some pathos from the Padre's part, but the Padre, like so many others, is only a picture from Tulloch's snapshot album, the perhaps from John Morris's *Maybe Mad Tulloch* is the author's way of burning down his own Regimental Museum.

## King's Theatre

## Le Nozze di Figaro

by RONALD CRICHTON

This year's Festival Opera production, seen on Monday night, is an all-star *Figaro* conducted by Barenboim, produced by Sir Gervase Evans, who sings the title role. From a cast also including Heather Harper, Ileana Cotrubas, Teresa Berganza, and Fischer-Dieskau, there was some remarkable singing and, since these artists are all musicians as well as vocalists, dependable ensemble works. Yet the greatest interest remained in the orchestra, the English Chamber Orchestra, which was alternately relaxed, illuminating, and puzzling.

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served. The relaxation that worked so well in individual sections meant that the second act, conducted by Barenboim, seemed to jerked it into life at the very end. "Contessa, perdono!" Cotrubas, in the last act, was given a breadth that with less ample voices would have been dangerous. But what one will remember most are the good things—the beauty of the woodwinds playing softly round Berganza's humbly plaintive tones in vol. che sapete." The sudden shafts of light Barenboim let into the orchestral part of *Figaro*'s last act, were far more than the usual braying horns stood in sudden relief. What an operatic conductor he may become if he will consider the score more as a whole, and settle down, and stop doing so much of everything else!

Notes on the singers must be unsuitably brief. First, the voice, is by now a wily old game-cock, a tough opponent for even so formidable a local tyrant as this Almaviva. An all-star

amount of over-animated direction. Cherubino's aria already mentioned was the still centre of the evening. Cotrubas had enchanting moments which grew more frequent as the evening went on, but she must persuade Barenboim to take "deh vien!" less quickly. Harper's Countess Almaviva was securely voiced with grand, well-rounded tones, but strangely impersonal, with nothing more in the way of character than an amiably stolid dignity.

The Almaviva of Fischer-Dieskau towered over the women folk with the face of a tom cat, cold eyes and a mischievously pursed mouth. He used the full gamut of vocal inflections, with a virtuoso display in the recitative, pushing them occasionally to speech-song and beyond. A remarkable demonstration, though not a model for young singers. Gervase Evans' Figaro, in fine voice, is by now a wily old game-cock, a tough opponent for even so formidable a local tyrant as this Almaviva. An all-star

*Figaro* tends in the nature of things to present a physically mature view of the character, but it was hard to accept Birgit Finnila's blunt, prime-of-life Murellina as this *Figaro*'s mother.

Sir Gervase has apparently described himself less as producer than as "co-ordinator of a group of singers, or friends." The result is rather like a joint master-class, with a great deal of illustrative movement, not enough repose, and a jumble of bright and not so bright ideas. Antonio the gardener entering by climbing a ladder up to the balcony was among the former. Cherubino perambulating in a hoopier petticoat before climbing into the chair among the latter. There was nothing remotely approaching the distinction and new understanding of Peter Hall's Glyndebourne *Figaro*, John Fraser's garden set for the last act, operetta-corny with cypress avenues, starchy sky and fireworks, is nevertheless nicer than its vulgar and improbable predecessors.

## ITV

## Il ritorno d'Ulisse in patria

by ELIZABETH FORBES

Monteverdi's opera *Il ritorno d'Ulisse in patria*, in the production first staged by Peter Hall at Glyndebourne three summers ago, was introduced by Southern Television on Sunday night to an infinitely larger audience than the work can ever have reached during all its previous 334 years of existence. Humphrey Burton, that indefatigable promoter of opera on television, gave a brief explanation and résumé of the plot—Ulisses' return home after the fall of Troy is one of the best-known stories in the western world—as he strolled on the lawns at Glyndebourne surrounded by music-loving picknickers, and then allowed Monteverdi to speak for himself.

John Bury's sets make no attempt at illusion, and yet the illusion, as the gods descend majestically from the heavens, the wires and rails supporting them perfectly visible, is com-

plete. This paradox, which was one of the chief reasons for the original production's triumph in the theatre, also helps to explain its very successful transfer to the television screen. Even the most patently theatrical tricks, such as Neptune's transformation of Ulisses' ship into a rock, come off because they are accepted—strictly on their own terms.

Dave Heather directs the magnificent cast assembled at Glyndebourne, headed by Benjamin Luxon and Janet Baker, who recreate their masterly performances as Ulisses and Penelope. Many telling details, not always noticeable in the theatre, are brought out by the camera: the fleeting expression on Penelope's face, the ever-so-slightly smug superiority of the virtuous woman, at the mention of Helen and her fatal beauty; the tightening grip of Ulisses' hand on his son's as, disguised as a beggar,

he listens to Penelope's suitors paying her extravagant compliments. The final diet, when Penelope at last allows herself to believe that Ulisses has returned, is infinitely moving in close-up.

Richard Lewis as the kindly old shepherd Eumaeus, Ian Caley as a stalwart young Telemachus, and Anne Howells as a benevolent Minerva all present living, three-dimensional characters. Penelope's suitors, with the exception of Ugo Trama's darkly menacing Antinous, are played too humorously to constitute quite sufficient a threat. Raymond Leppard conducts the London Philharmonic Orchestra and the Glyndebourne Festival Chorus in his own realisation of the score. The merits of Mr. Leppard's version have been much debated, but the sound comes over strongly and not over-sweetly on the box. Spike Hughes provides the helpful, succinct sub-titles.

## Festival of Women's Theatre

A Festival of Women's Theatre is being presented by the Haymarket Theatre in Leicester in its Studio and main auditorium throughout the autumn. Opening on September 4 with short plays by the season's script advisers, Liane Aukin and Dinah Brooke, and a new play by Margaret Dumas, *Owners* by Caryl Churchill, and new full-length plays by Jennifer Phillips, Olwen Wymark and Ruth Jhabvala.

There will be late night shows, among them Linda Purl's *What the Little Girl Made Of*, concerts, and a series of lunch-time plays, the first of which, *Travel Sickness*, is by 15-year-old Matilda Hartwell.

A street theatre group has already been formed by local women, which will tour around Leicester using facilities provided by the theatre. In addition, there will be weekly events such as theatre workshops, informal coffee mornings, discussions and debates throughout the Festival, which is being organised by a group of women working in the theatre. There will be a permanent canteen, an information desk and a bookstall selling literature for women.

## London Schools Orchestra for USA

The ILA London Schools Symphony Orchestra, whose 100 members are pupils of secondary schools maintained or aided by the ILA, has been offered an invitation to represent British musical youth during the bicentenary celebrations in the U.S. next year. The orchestra will also celebrate its Silver Jubilee in 1978.

The British-U.S. bicentennial liaison committee's sub-committee, under the chairmanship of Sir Jack Lyons, has offered £3,000 towards the travel costs of the venture, which are estimated at £25,000. A full-scale "LSSO Jubilee Year American Tour Appeal" is being mounted by the Friends of the LSSO Association, the orchestra's own registered charity.

## The 41st Chelsea Antiques Fair

The 41st Chelsea Antiques Fair takes place at the Old Town Hall, Kings Road, S.W.3 from September 5-20. This autumn there will be three seminars on Bristol glass, recognising fakes, and small pieces of collectable silver. The price of admission to each seminar is £1 which includes entrance to the fair itself.

## Vivien Merchant in 'The Vortex'

The Greenwich Theatre's autumn-winter season will start with a revival of Noël Coward's *The Vortex*, starring Vivien Merchant as Florence, with direction by James Ronne-Evans. It will open on Thursday, October 2, and run until Saturday, November 1. There will be a preview on Wednesday, October 1.

## Cavenham Ltd.

Chairman's Statement

"In times of substantial inflation, cash flow should take priority."

It seems likely that the current recession will get worse. Its intensity and the timing of the eventual recovery will vary from country to country. Indeed, there are now some signs of a recovery in the U.S.A. Cavenham faces this prospect with a number of strengths. We are part of a basic industry. Our balance sheet is strong. Our activities are international. Two-thirds of our sales and of our group trading profit is earned abroad, principally in the U.S.A. and in Europe. But the dangers of inflation and of recession are great, the more so when they coincide.

During a period of rapid inflation, a profitable company will need extra capital even though its volume of business may be static. There are two major reasons for this:-

As costs rise, so more capital is needed to finance the same volume of stock.

Plant and equipment needs constant replacement and modernisation as it wears out or becomes obsolete. The cost of replacement rises as a result of inflation. Under U.K. tax and accounting rules companies provide for replacement by calculating depreciation on the original cost of the equipment and not on replacement values. The difference has to be provided by new capital.

Therefore, profitability alone is not necessarily a valid measure of viability. In times of substantial inflation, cash flow should take priority.

Fortunately this is a point of view that Cavenham has held for some time. As a result of the very strenuous efforts taken to control working capital and to restrict capital investment to priority projects, cash flow from trading was kept in equilibrium. Last year Cavenham spent £28 million on new capital investment. On a comparable basis and principally as a result of inflation, extra investment in working capital (which is stock plus debtors less creditors) amounted to £11 million. To finance this total investment of £39 million the Group earned after tax profits of £17 million and provided for depreciation of £18 million. After minor capital movements and before payment of dividends there was a small shortfall. But this was fully compensated for by the Chancellor's first step towards recognising these business realities when he deferred tax due on the inflationary increases in the value of stocks. This allowed us to defer approximately £3 million of tax. It should however be remembered that this is no more than a deferment and that this tax is therefore fully provided for as a future liability in our accounts.

Thus, although the ordinary dividend paid to shareholders is covered 4 times by net attributable profits, it is nonetheless not fully covered by cash flow from trading activities. It has to be paid partly out of cash reserves put aside in previous years. Fortunately these reserves are substantial.

We intend to ensure that, despite the conditions described above, the mainstream activities of Cavenham receive the capital that they need to pursue sustained and vigorous growth. Restraining capital investment over a number of years must lead to industrial decrepitude. But we neither intend to approach shareholders for new capital, nor will we increase substantially our overall borrowings in relation to capital and reserves. At the year end Group capital and reserves amounted to £172 million. Loan capital to £140 million and net cash or cash equivalent resources were in excess of £30 million. We are satisfied with these ratios. Therefore we will pursue our long established policy of concentrating our efforts on our main activities, finding the new capital necessary to support them by eliminating all operations that are either marginal or unrelated to the mainstream of our business. The trading review in this Report describes some of the first steps taken in this direction last year, particularly in the U.S.A. and in France. As a result of these measures we expect to be able to accelerate the rhythm of capital investment while at the same time maintaining or even increasing our level of liquidity.

More than ever, business is influenced by people who have too little understanding of how it works. They overlook the fact that a healthy industry is necessary for the well-being of an industrial community and they are, therefore, willing to sacrifice industry's long term viability for short term expediency. The result, of course, is loss of business confidence, reduction of capital investment, loss of competitive power, loss of jobs, higher production costs, higher retail prices, reduction of the general standard of living, all in a vicious continuing spiral. Sooner or later the realities must be faced and usually the pendulum begins its return swing. In the meantime, in the U.K., we must undergo a depression which will be longer, deeper, more bitter and more dangerous than it need ever have been. This will be a testing time. Cavenham has a team which is capable of facing this challenge. To each and every member of that team we offer our sincere thanks.

21st August, 1975.

JAMES M. GOLDSMITH

Copies of the Chairman's Statement and Annual Report of the Company can be obtained from The Secretary, Cavenham Ltd., Cavenham House, Millington Road, Hayes, Middlesex, UB3 4JX.







## AMERICAN NEWS

## Mobil in \$3bn. Saudi refinery, pipeline project

By Guy De Jonquieres

NEW YORK, August 26.

MOBIL seems to be on the verge of becoming the first major American oil company to become actively involved in the development of large-scale energy projects in Saudi Arabia.

The company announced that the board of Petroleum, the Saudi state-owned oil concern, has approved plans for building a big refinery and petrochemical complex on the Red Sea and an 800-mile pipeline to bring crude oil to it from the Eastern Saudi Arabian fields.

The total value of the project is estimated at about \$3bn. Mobil would take a half share in the refinery and petrochemical complex, with Petromin as co-owner, and will also be engaged to manage the construction of the pipeline, which will be Saudi owned.

Mobil is the first of the four U.S. oil company partners in the Arab-American Oil Company to announce official Saudi approval for construction of projects in which it will play a major role since the Saudi government began its takeover of the consortium.

The three other American partners in Aramco — Exxon, Texaco, and Standard Oil of California — are all understood to be working on plans of their own for projects inside Saudi Arabia, though it is not known how far they have advanced. In addition, Aramco itself seems likely to play an important part in managing other Saudi industries.

But the company's higher costs will probably be at least partly offset by an increased price for its own domestic crude oil production. Thus its outgrowth, opposition also appears designed to establish political credit with a Congress that has, for the most part, been intensely critical of the oil industry.

Whether Mobil's move will help swing the balance in favour of those segments of Congress seeking to override the President's veto remains to be seen. But it has been broadly and universally attacked by other big oil companies, which have argued that higher prices for "old" oil are needed to stimulate investment for crude for its refineries once prices are freed.

SAUDI ARABIA'S Defence Minister said today that he has ordered an investigation into allegations of bribery of Saudi officials by U.S. and foreign companies.

Saudi Defence Minister Prince Sultan bin Abdul Aziz said that any official found to have accepted bribes "will be punished under the law without mercy regardless of who he may be."

## Bribes probe ordered

BEIRUT, Aug. 26

Allegations that Saudi officials and businessmen were involved in a bribery scandal first came to light several months ago during Senate Subcommittee hearings on how multinational U.S. companies do their business abroad. Gulf Oil Chairman Bob Dorsey told a Senate Foreign Relations Subcommittee that doing business by bribery was common practice abroad.

The SEC made clear that these rules are based on the theory that existing reports to both shareholders and federal agencies provide few real clues as to the identity of controlling shareholders. Aside from the Arab fear, the SEC has long argued that concentration of blocks of shares in bank trusts and stockbrokers makes it impossible to determine who actually owns the stock and is able to influence the company.

## SEC plan for new disclosure rules

By Jay Palmer

NEW YORK, August 26.

THE U.S. Securities and Exchange Commission has proposed a set of new rules which, if approved, should strip away much of the mystery and confusion obscuring the ultimate ownership and control of large American companies.

The measures, now put forward for public comment, will require all publicly traded companies to disclose their ownership structure in some cases, individuals to co-operate to produce detailed lists of each company's 20 largest shareholders. Where necessary, securities firms will be required to identify ultimate and beneficial shareholders.

To a large degree, the SEC push stems from fears earlier this year that oil-rich Arab individuals might secretly be able to obtain large investments in U.S. companies, thereby circumventing disclosure standards, the new rules set short of demands that foreign would-be investors make a prior announcement of plans to buy shares.

Specifically, the regulations require companies to name its individual 30 largest shareholders rather than, as at present, merely name share-holders with stakes of over 1 per cent. The rules also require companies to disclose the names of shareholders who own 10 per cent or more of the company's shares, and to ensure that even persons able to influence the voting of many different small shares (such as a bank trust) are named as potential "controlling shareholders."

## Argentine peso devalued again

By Robert Lindley

BUENOS AIRES, August 26.

AT THE END of an extremely volatile year, the Argentine peso has been devalued again, this time by 25 per cent, according to reliable sources in Buenos Aires. The devaluation, which is the fourth since 1974, brings the peso to 34.45 to the dollar, a devaluation of 2.35 per cent, and the financial rate to 44.20, a devaluation of 4 per cent. Dr. Castello, president of the Argentine Chamber of Commerce, said that the devaluation was a necessary step to bring the peso in line with the international market.

It was that mammoth devaluation which touched off the continuing political and economic crisis here. It appears that Dr. Castello's devaluation policy will result in a series of mini-devaluations.

Meanwhile eight top generals under the Army's Commander, Lt-Gen. Alberto Numa Laplace, this morning demanded that he resign and that the new Interior Minister Army Col. Vicente Damasco, retire from active service.

If they do give way, it would resolve the confrontation within the army which erupted on August 11 when President Maria Estela Peron swore in Col. Damasco as Interior Minister. The majority opinion of the Army officers' corps is that the current government is compromising for the armed forces.

## Brazilian oil output falls

By David White

RIO DE JANEIRO, Aug. 26.

AS BRAZIL's first big oil field, the first big oil field of oil off the mouth of the Amazon, it received the less welcoming news that oil production had fallen for the first time, postponing the prospect of early relief for the country's balance of payments.

The state oil monopoly Petrobras announced that production to the end of July, after keeping slightly ahead for most of the time had dropped 0.3 per cent below the 1974 level to 39.8m. barrels. The main loss was in the principal oil field of Bahia State, where some of the older wells are running dry.

This loss was partly offset by increasing production from the Brazilian continental platform, which now accounts for 15 per cent of total output. A new field off Campos, north of Rio de Janeiro, is scheduled to start production by the end of next year, and Petrobras expects an eventual yield of 100,000 barrels a day. This is half the amount initially forecast at the end of last year.

Brazil now needs less than a quarter of its oil requirements, producing 126,000 barrels a day and consuming around 850,000 barrels. According to Petrobras figures, domestic consumption, although restrained since the oil crisis, has risen by 4.5 per cent since last year.

## OVERSEAS NEWS

## Non-aligned call for tougher business curbs

By Hugh O'Shaughnessy

LIMA, August 26.

A GREATLY increased regulation of foreign business activities in the Third World was fore-shadowed by General Juan Velasco Alvarado, the Peruvian President, in his speech last night inaugurating the fifth meeting of the Foreign Ministers of the non-aligned countries.

President Velasco called for common policies for the non-aligned countries regarding foreign investment, the treatment of multinational companies and the transfer of technology.

The President called for approval of a conference document which among other things recommends limits on profit remittances, the banning of foreign capital from specified areas of a developing country's economy and the adoption of a system—already in force in Peru and the other members of the Andean Pact—under which developed countries and the nations enjoying dizzy industrial growth. The crippled President Velasco, moving with difficulty on an artificial leg was given a warm welcome by the Assembly.

After late-night sittings, the current members of the Non-Aligned Movement decided to admit to full membership North Vietnam, North Korea, Panama and the Palestine Liberation Organisation. Applications from South Korea, and the Philippines were not accepted and Chile's attempts to maintain its position within the group seems to have failed and Chilean membership appears to have permanently lapsed.

The acceptance of two new active Communist states and the rejection of countries with conservative governments is seen here as necessarily having some radicalising influence on the future of the group. But conference sources point out that the largest group in the Non-Aligned Movement is still that of Black Africa (including many French-speaking States who still look to Paris for their foreign and economic policies) and that the financial weight of the movement is still with the oil-producing members like Kuwait, few of whom are Marxist in outlook.

President Khondakar Mush-taq Ahmed's new Bangladesh Government yesterday made more martial law arrests in its attempt to keep the country on a stable course after the assassination of Sheikh Mujibur Rahman.

Two officials, including a former Cabinet Secretary, were charged with amassing wealth through corruption, obtaining property through fraudulent methods, nepotism, misuse of power and anti-social activities. The offences can carry the death penalty.

These arrests follow the jailings over the weekend of 26 prominent political figures, including two former prime ministers. The politicians arrested came from both Right and Left, but basically were either men close to Sheikh Mujibur or who had a strong political base of their own.

An important three-cornered power struggle is still going on, involving the new President and the group of politicians who took over with him, the Army majors who carried out the coup in which Sheikh Mujibur was killed, and the more senior Army officers.

Some specialists say that there are indications the Government will follow the jailings over the weekend of 26 prominent political figures, including two former prime ministers. The politicians arrested came from both Right and Left, but basically were either men close to Sheikh Mujibur or who had a strong political base of their own.

When the recent fighting ended at dawn, Government troops are reported to have raided the homes of several families suspected of harbouring ELF guerrillas. The troops took away many young children. Later, six of the children were shot dead in front of their parents and other relations.

In another village in the same region, Government troops set fire to huts and houses. Adult occupants were allowed to flee, but children were forced back into the flames at bayonet point. Some of the children, according to the sources, managed to survive and were treated in hospital, but others were killed.

There is a sharp division of opinion over whether these tactics will succeed in weakening the ELF's campaign. One Eritrean source in Addis Ababa is said to believe that some sort of settlement will be achieved within a matter of weeks. "The people cannot suffer any further," he said. But another two of whose family were in the recent fighting is reported to think that the killing of children has only succeeded in stiffening the ELF's resolve to continue fighting, and has further eroded sympathy and support for their cause.

LIBSOM RADIO today broadcast an Angolan State radio announcement saying two rival Angolan liberation movements had signed a ceasefire agreement. The new ceasefire was said to have come into force at 19.00 local time yesterday between the Popular Movement for the Liberation of Angola (MPLA) and the National Front for the Liberation of Angola (FNLA).

The agreement was said to provide for the FNLA to withdraw from a certain district — its name could not be deciphered due to poor radio reception — and hand over arms to Portuguese forces.

The Angolan State radio broadcast appeared to have been made by a member of the MPLA, since he ended by saying: "This is a more victory for the forces of FAPLA" (the name of the MPLA's army).

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## EUROPEAN NEWS

## FINNISH EXPORTS AND INFLATION

## An economy caught lagging

BY LANCE KEYWORTH, HELSINKI CORRESPONDENT

THE FINNISH economy faces two big problems today. The more serious is the current account deficit. Nearly as serious, and certainly more immediately obvious to the public, is the high rate of inflation. Finland is not the only one to face these problems, but in the Finnish case they have reached a stage which seems to be more serious than in the other more developed countries in Europe except Britain.

## Energy crisis

Both the current account deficit and inflation have their origins in the energy crisis which hit Finland hard at the beginning of 1974. About 70 per cent. of the country's energy requirements must be imported. About two-thirds of these imports are of oil, and natural gas and electric power come from the Soviet Union, which has agreed to take payment for the surplus oil in deliveries of goods and services. In the short term at least, this may have helped; in the longer term it is questionable, as the growing trade deficit suggests.

Finland's foreign trade deficit in the first half of 1975 was Fmk4.23bn. (£530m.). That was almost double the January-June 1974 figure and close to the Fmk5.5bn. trade gap for the whole of 1974. The latest guesses at the foreign trade deficit for the current year run

between Fmk5.7bn. and Fmk6.9bn. The current account deficit will not be much less. These are high figures for a country as small as Finland. Imports in 1974 totalled Fmk16.36bn, and exports Fmk11.5bn.

What has gone wrong? The Finnish economy is very dependent on foreign trade and, therefore, very sensitive to international cyclical fluctuations. But there always is a lag, usually of around six months, between the start of a recession in the West and the downturn in this country. That period of grace is now over.

A connected reason is false confidence engendered by the lag. Premier Kalevi Sorsa's centre-left coalition Cabinet, now out of office, lacked the political will to introduce unpleasant measures when they did not seem absolutely necessary. But a third and possibly the main reason is that the recession in western Europe, which is Finland's main export market area, was sharper than the Finnish one. The forest industry, particularly, and it is this sector that still brings in about half the country's earnings of foreign currency. Forest industry exports contracted by 31 per cent. in volume and 5 per cent. in value in the first half of this year, compared with the first six months of 1974.

The trade deficit for the first half of this year was almost 2 per cent. in 1975. Local currency, and thus not directly oil-related. As the Finns do not

publish separate figures for oil-related deficits, it is hard to know why the convertible account deficit should grow so much while the so-called tied account (mainly Soviet rubles) actually showed a small surplus. Some western observers believe that if Finnish industry must expand its capacity to pay off its swollen oil bill, and must buy the necessary investment goods, semi-manufactures, and even some of the raw materials from the West, its current account is bound to suffer.

## Foreign debt

The Bank of Finland has said repeatedly that Finland cannot increase its foreign indebtedness indefinitely, however good its international creditworthiness may be at the moment. The net foreign debt reached Fmk12.6bn. Last year, almost 18 per cent. of the Gross Domestic Product. Now, bankers foresee an increase to around Fmk20bn.

In June of this year, Finland went to the IMF for stand-by credits totalling Fmk750m. A condition of the arrangement was that the country would implement the so-called stabilisation programme which the Government had announced in March. Among other things, it envisages a limitation of the increase of Government consumption spending to 3.5 per cent. this year and 2 per cent. in 1976. Local currency, and thus not directly oil-related. As the Finns do not

publish separate figures for oil-related deficits, it is hard to know why the convertible account deficit should grow so much while the so-called tied account (mainly Soviet rubles) actually showed a small surplus. Some western observers believe that if Finnish industry must expand its capacity to pay off its swollen oil bill, and must buy the necessary investment goods, semi-manufactures, and even some of the raw materials from the West, its current account is bound to suffer.

Inflation, the second big problem, was running at a rate of more than 17 per cent. last year and has maintained the same clip this year. By no means can all of this be blamed on oil and other primary product increases. In fact, this year, the main cost-push factor is wages. The current collective bargaining agreement is for 22 months and runs out in January 1976. In the first 12 months of its life, industrial workers' earnings rose by 25.6 per cent., a good 7 per cent. ahead of inflation. It is estimated that wage increases and social security benefits granted this year will add 9 per cent. to the Consumer Price Index.

The whole system of collective bargaining at central employer-union level seems to be in danger of breaking down. The Government has been involved in these negotiations in the past, and had to hand tie accordingly. Farmers' incomes are tied to wage increases, which means automatic inflation of food prices. But there is no evidence so far that union leaders are prepared to make more moderate wage demands. The main cost factor now is wages, no longer imported goods. Finnish exports are reported to be still reasonably competitive. But if costs continue to rise at the present rate that will cease to be the case.

## Dutch port blockaders warned by Government

By Michael Van Os

AMSTERDAM, August 26. THE DUTCH Government announced to-night that it would use the navy and police to break the barge owners' blockade of ports and waterways if the demonstrators did not withdraw voluntarily. However, the surprise announcement specifically excluded a deadline, and a Government spokesman would not elaborate on the official communiqué.

The statement, which came after yesterday's decision by the barge owners to clear the Rotterdam port area, said that the protesters' actions were doing considerable damage to third parties and to the national economy as a whole. The Rotterdam compromise, reached by the new, young Socialist Mayor, Mr. Andre Van Der Louw, averts the threat of paralysis there and will presumably return freedom of movement to the 80 seagoing ships trapped in the port and the 50 moored outside. However, the blockade in the rest of the country will be reinforced, the blockade organisers said.

About 300 inland barges and other vessels to-day almost completely sealed all ports and main waterways in protest against proposed Government rationalisation measures that would probably put many of the smaller barge owners out of business.

It is believed that in return for the lifting of the blockade at Rotterdam, Mr. Van Der Louw will ask the Government to review their proposed Bill or set up a special committee to study alternative measures. In another development to-day, Parliament's Standing Transport Committee succeeded in getting Parliament to bring forward from Thursday to to-morrow the debate on the Bill.

The main issue is the proposed abolition of the Rotterdam Inland Shipping Exchange, which shares out cargoes. The Government hopes to break this cartel by stimulating competition and using free market forces so that only the best companies survive.

## Lisbon Socialists decry Communist 'turnabout'

LISBON, Aug. 26

THE PORTUGUESE Socialist Party today described the leftist military-civilian front formed yesterday in support of the pro-Communist Prime Minister, Vasco Gonçalves, as an insurrectional alliance.

The meeting which produced the agreement between the Communist Party, a number of extreme left-wing groups and pro-Communist officers was seditious and conspiratorial, it said.

The Socialists, in their first major statement in a week, said that the meeting was a fundamental part of a "putsch-style operation" planned several days previously in the Lisbon region and certain regions in the south.

The statement accused the pro-Communist Fifth Division of "armed forces propaganda and information service, of employing a 'coup-type strategy' by distributing a false communiqué in the name of President Francisco de Costa Gomes."

The Armed Forces Movement's policy-making Revolutionary Council last night ordered the Fifth Division to suspend its activities until it was "restructured."

The Revolutionary Council, which includes Portugal's supreme triumvirate of General Costa Gomes, General Goncalves and General Otelo Saraiva de Carvalho, commander of the Copcon military security force, gave no reason for suspending the Fifth Division.

But the reasons seemed clear. Early yesterday morning the President had publicly disowned two communiques issued on Sunday — one purporting to quote himself as saying General Goncalves should stay in office, and the other claiming that a representative meeting of military leaders had supported the Prime Minister's Government programme.

The Revolutionary Council, said to be meeting without nine prominent moderate officers suspended for publishing an anti-Goncalves manifesto, ordered Brigadier Buriel Corvocho to be reinstated as military commander of the northern region. Brigadier Corvocho, a pro-Goncalves officer, had been provisionally replaced last day ago.

The Revolutionary Council also decided to call a meeting

next week of the 240-man assembly of the Armed Forces Movement — a body dominated largely by Communists and extreme left-wingers — to "re-structure" the Revolutionary Council.

This apparently indicated that an attempt will be made to expel the nine dissidents altogether. The Socialist Party statement poured scorn on the Communist party for allying with the extreme left-wing only a few days after Communist secretary-general Alvaro Cunhal told a press conference that his party was ready to co-operate with the moderates.

"How do you explain this unforeseeable turnabout by the Communist Party, which two days previously appeared to have made its self-criticism and shown itself open to co-operation with all majority political forces without exception?" the statement asked.

It said separate demonstrations held in Oporto last night by Communists and extreme left-wingers showed the alliance was already beginning to fall apart.

The Revolutionary Council also decided to call a meeting

## Spain's Centre-Right organises

MADRID, August 26

A GROUP of Centre-Right Spanish politicians, including two former cabinet ministers, agreed at a day-long meeting yesterday that the country should undergo profound and urgent reforms and move away from an authoritarian form of Government towards a democratic system.

The meeting was organised by Fedisa, a limited company formed a couple of months ago to study the nation's problems. Its most important "shareholders" are Senor Fraga Iribarne, who on October 1 will quit as Spain's Ambassador to London; Sen. Pio Cabanillas, the former Information Minister sacked from the Cabinet last autumn; Sen. Jose Maria Arellano, former Ambassador to Washington; and several company chairmen and other former high-ranking Government officials.

Fedisa was established in direct response to the Prime Minister Arias Navarro's truncated plan for a "democratic renewal" which this group did not consider sufficiently liberal for them to participate. The head of the National Movement, Spain's umbrella political organisation controlled by the formation of "associations" recently described Fedisa as "a fraud."

However, most political observers believe that Fedisa will provide the backbone of a major new Centre-Right party that will emerge after the departure of General Franco. Left-wing parties are Fedisa as basically a continuation of the present regime but with a re-fashioned face that could prove acceptable to Spain's European neighbours.

Senor Fraga is widely upped by the Press as a future prime ministerial candidate, and he had talks with General Franco last week. However, it is unlikely that the General will have been pleased by the tone of yesterday's meeting or by the statement issued by Fedisa, saying that among the problems it would be particularly studying were constitutional reform, political education, trade union reform and the succession of the Head of State.

Political prisoners in several Spanish jails have begun hunger strikes in protest against the court martial of two alleged members of the Basque separatist organisation ETA due to open in Burgos on Thursday. Both men face a possible death penalty if convicted of killing a Guardia Civil member in a Basque town in April 1974.

Sen. Jose Antonio Garmendia was hit in the head by a police bullet during his arrest and, according to his lawyers, is seriously mentally incapacitated and thus unfit to stand trial. However, a military judge has ruled that the case against him will go ahead. The other man facing the court martial is Sen. Angel Otazgui Echeverria, who is

accused of sheltering Sen. Garmentia before the killing took place.

The court martial comes a fortnight after a preliminary inquiry by Amnesty International into allegations of torture and mistreatment of Basque detainees by the security forces. The organisation says that "conclusive and appalling evidence" was found that all three Spanish police forces had participated in the alleged torture.

A Barcelona journalist was accused in a court martial to-day of insulting the armed forces in an article he wrote about the city's night life. Senor Jose against the paper.

Maria Huertas suggested in the article that after the Civil War widows of army officers owned flats in Barcelona that were used for prostitution. The prosecution demanded a three-year jail term.

Meanwhile, Minister of Information Leon Herrera had some harsh words for the Press to-day in a special statement made in response to an article published yesterday in a Majorca newspaper speculating that there could be major government changes in the autumn. He specifically warned against this form of journalism and hinted that action would be taken against the paper.

## French Cabinet 'may ban separatist movements'

BY ROBERT MAUTHNER

PARIS, August 26.

THE ATMOSPHERE in the French Republic island of Corsica remained tense to-day, following last Friday's gun battle between Corsican separatists and police in which two gendarmes were killed.

A massive search operation for the rebirth of Corsica (ARC), who seized a wine depot near Ajaccio and took six hostages before shooting it out with the police, led to the arrest to-day of 10 suspects alleged to have been involved in the incident. Some 400 police, backed up by helicopters, were involved in the search.

Among those arrested was M. Roland Simoni, brother of Dr. Edmond Simoni, the leader of ARC, who was himself arrested last Friday and taken to Paris for interrogation by the police, while his followers escaped.

Observers in Paris were speculating to-day that the Cabinet, at its weekly meeting to-morrow,

would probably decide to ban some separatist movements in France, not only in Corsica, but elsewhere such as Brittany. Not to be outdone by the Corsicans, Breton nationalists were thought by police to be responsible for two explosions last week at the homes in Rennes of a Senator and Member of Parliament belonging to the Government coalition. The two explosions caused serious damage.

Meanwhile, the authorities' handling of last week's ARC operation continues to come in for sharp criticism from some Corsican politicians, as well as from police trade unions, albeit for different reasons.

The Mayor of Ajaccio, M. Carloti, has accused the authorities of having acted too hastily and of having launched the police assault on the wine depot before all the possibilities of reaching a peaceful settlement with the separatists through negotiations had been exhausted.

## Italy acts to aid exports

BY RUPERT CORNWELL

ROME, August 26.

MOVING with unaccustomed speed, the Italian authorities have taken their first steps to implement the L.3500bn. (£2.4bn.) rebalancing programme announced early this month, with measures to ensure that exports share in the economic recovery when it comes.

The Italian Exchange Office, headed by the new Bank of Italy Governor, Dr. Paolo Baffi, has taken steps which will effectively lower the cost of export credits to about 10 per cent. from 12 per cent. for orders in the last four months of this year.

Meanwhile, the Export Credit Guarantee Committee released a further L.1,000bn. of credit to cover exports, increasing protection against both exchange risks and the danger of non-payment by clients.

Other parts of the August 8 package are likely to become part of the Cassa per il Mezzogiorno, the fund set up to aid the impoverished South, is due to give the go-ahead to a further L.300bn. of investments in the region, including road and water supply projects.

In the next week or two, the authorities are likely to act in lower interest rates, among the heaviest in western Europe. In a Press interview last week-end, Treasury Minister - Emilio Colombo - gave a firm indication in this direction.

## German car output falls again

BY GUY HAWTHIN

FRANKFURT, August 26.

CAR PRODUCTION in West Germany is still over 10 per cent. below last year's depressed levels, in spite of a massive increase in home orders. This was disclosed in a report by the Verband der Automobilindustrie on the first seven months' output figures.

While Dr. Johann Heinrich von Bruhn, the motor manufacturers' association president, said to-day that the industry was not pessimistic, exports — on which the industry is heavily dependent — remain severely depressed.

January to July figures show that overall car output was down 10.2 per cent. from 1.61m. units to just under 1.45m. units. Estate car production was cut by 20.9 per cent. from 183,461 units to 126,733 units, and commercial vehicle output just showed a 1.3 per cent. overall growth rate from 130,287 units to 131,249 units.

Exports, however, have fallen far faster, and at the end of July July 26.9 per cent. below the level recorded in the first seven months of 1974. Overseas sales totalled only 897,279 units in the report period, compared with 1,341,422 in the same span of the previous year.

Most heavily affected by declining demand are larger cars. Output in the 1.5 to 2-litre class was down 35.9 per cent. compared with the first seven months of last year, down from 686,508 units to 443,375 units. Output of cars over 3 litres went down by 23.4 per cent. from 22,244 units to 15,951 units.

At the same time, demand for smaller cars has risen swiftly over the year. Output of cars with engines of up to 1 litre was up a full 46 per cent. from 76.9 per cent.

## Varied growth forecast

BY DAVID EGLI

GENEVA, August 26.

AN AVERAGE annual growth rate of between 3.2 and 4.2 per cent. over the next 15 years is now and 1990.

For Eastern Europe and the Soviet Union an average annual growth rate of between 5.8 and 6.6 per cent. is expected in the same period, significantly increasing the weight of the centrally-planned economies in the area as a whole. Forecasts point to a substantial improvement in living and cultural standards in Eastern Europe and a trend towards equalising of income and Southern Europe around 6 per cent. The projections take account of the possibility of "one or two" recessions between now and 1990.

## French revising GDP forecast

PARIS, August 26. FRENCH Finance Ministry officials are revising forecasts for 1975 Gross Domestic Product, which could show a drop of 2 per cent. on 1974, government sources said.

GDP fell about 3 per cent. in first quarter 1975 from average 1974 levels and then held steady in the second quarter, they said. For the remainder of the year much would depend on the extent of government measures to boost the economy. These are in the process of finalisation, they said. Reuter

## Norwegian paper industry study

BY FAY GJESTER

OSLO, Aug. 26

THE NORWEGIAN Paper Industry Workers' Union has commissioned a report on the feasibility and possible advantages of nationalising Norway's wood products industry. The report will be considered at the union's national congress next month.

According to the union's chairman, Mr. Olav Bratlie, the union believes that necessary structural changes in the industry have in

the past taken place haphazardly as a result of individual companies' profits and losses. Instead, it wants to see planned structural changes "which would give us more viable concerns in the longer term." It also wants to ensure that alternative employment is provided for workers made redundant by the changes.

Meanwhile, the chairman of the Norwegian Paper Industry Association has said that the current severe slump in demand for the industry's products is likely to continue "for some months" and that a number of paper factories will have to suspend output temporarily this autumn even those producing newspaper, until now the type of paper least affected by the economic crisis. "There is a limit to how long production for stock can continue," he told the Oslo newspaper Aftenposten.

It is believed that in return for the lifting of the blockade at Rotterdam, Mr. Van Der Louw will ask the Government to review their proposed Bill or set up a special committee to study alternative measures.

In another development to-day, Parliament's Standing Transport Committee succeeded in getting Parliament to bring forward from Thursday to to-morrow the debate on the Bill.

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## ● NEWS ANALYSIS—PROTECTING THE NORTH SEA RIGS

# The fight against sabotage

BY ADRIAN HAMILTON

BY RHYS DAVID

BY TERRY DODSWORTH

## APPOINTMENTS

**Hutton**  
INTERNATIONAL

Athens • Frankfurt • Geneva • Hamburg  
London • Lyons • Luxembourg • Munich • Paris • Zurich

Mr. D. W. A. Macdonald has been appointed chairman and managing director of MACDONALD MARTIN DISTILLERIES following the announcement by Mr. G. A. H. Rathey that he intends to retire.

**By John Trafford, Property Editor**

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r. Simmons told the court  
Crest directors were trying

BY ARTHUR SANDLES

The new factory, which should be completed by the middle of next year, will cater primarily for the growth in U.K. sales and

**By Michael Donne**  
**Aerospace Correspondent**

As a result of the two-for-one split-up of G+W's Common Stock effected as a 100% stock distribution to holders of record on July 30, 1972, the ratio at which the 3%, Guaranteed Sinking Fund Debenture due 1982 may be converted into Common Stock of G-W has been adjusted to 100 shares of Common Stock for each \$1,000 of the debenture.

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**By Eric Short**

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**NOTICE OF ADJUSTMENT OF  
CONVERSION PRICE**  
**GULF & WESTERN  
INTERNATIONAL N.V.**

**5% Guaranteed Sinking Fund  
Debentures, due 1968**  
(Convertible into Common Stock of  
Gulf & Western Industries, Inc.)

As a result of the two-for-one split of  
G&W's Common Stock effected as a  
100% stock dividend to holders of  
record on 3/1, 1967, the rate at  
which the 5% Guaranteed Sinking Fund  
Debentures, due 1968 may be converted  
into Common Stock of G&W has been  
adjusted to 25.70, the share offering  
date of 1/6/65.

**Gulf & Western International N.V.**



## YACHTING

BY ALEC BEILBY

## Hopes for another Festival of Sail

WILL THE Port of London Clipper Regatta become an annual event in the yachting calendar? This is a question being asked both by hundreds of spectators who have seen the square rigged ships moored near Tower Bridge and those who have taken part in the many events that have already made the regatta such a success.

Originally, two years ago, the regatta and the Festival of Sail was planned as an informal gathering of sailing people to mark the departure of the Financial Times Clipper race to Australia and back, but the regatta has now become one of the most memorable occasions associated with London's river.

It seems unlikely that as many of the largest training ships will be able to visit London at the same time again — their schedules are planned years ahead — but there seems little reason why the hundreds of smaller yachts, dinghies, Thames barges and other craft should not return annually or, perhaps, every two years.

Yesterday the leaders of the training ship race from Den Helder to the Thames made their way up river to the Pool while in the Upper Pool trainees from the Russian, Portuguese

and Danish training ships raved the preliminary heat of the annual contest in naval sea boats.

To-morrow hundreds of dinghies will race in the Thames pausing while below Tower Bridge.

**To-day's Events**  
9.30 a.m. HMS Londonderry berths alongside HMS Belfast in Pool of London.  
Sail training ships continue to arrive.

11 a.m. Thames barge sailing match Gravesend to Cherry Garden.

11.15 West German training ship Gorch Sock leaves Pool of London via Tower Bridge.  
1.30 p.m. to 5.30 p.m. training ships Sagres, Tovarisch and Danmark open to public.  
5.15 p.m. Top of the Tide dinghy race Vauxhall to Waterloo.

Gate while more than 20 Thames barges will race from Gravesend. This even is being organised by Tate and Lyle, who themselves own a Thames barge.

On a lighter note, to-day, the Imperial Poona Yacht Club have challenged the yachting writers to a dinghy relay race around Tower Bridge. As the Imperial Poona members, which include

Prince Philip, are forbidden by the laws of their club to lose a race they have already declared themselves winners and have issued pages of rules for the event.

They state that if competitors are arrested during the contest their team will be responsible for bail, that the use of umbrellas will be allowed and that a vessel running free, either forwards or backwards, shall have right of way.

Two goals have been acquired to mark the starting line off the Tower Hotel and failure to appear at the start will not be accepted as an excuse for not starting by the race officers.

While well-known personalities from the world of sailing, representing the Imperial Poona YC, provide entertainment for those ashore, three of the largest training ships are open to visitors during the afternoon.

A traditional feature in gatherings of training ships is the inter-ship tug-of-war. This will be held in the moat of the Tower to-morrow afternoon and the all-girl crew of the British training ship Sir Winston Churchill have entered a team in the lightweight division.

Amid all the activity on the river the four competing yachts

in the Financial Times Clipper race continued their final preparations in St. Catherine's haven.

It is an indication of the spirit between the people who will race against each other through the roughest oceans of the world that the crews of Britain's Gt Britain II, the Dutch Great Escape and Italy's CS e RB II have all offered help to the French crew of Kriter II who have a considerable task ahead of them if they are to be ready for the start on Sunday.

While the Royal Ocean Racing Club, measures and safety officers have been patiently waiting to clear the yacht confusion still reigns aboard.

On the question of handicap it seems that the French will be penalised for the position of their spinnaker poles but, as they pointed out, it is primarily a boat-for-boat race and they regard the main priority to be first into Sydney harbour and then first back to London next spring, thus winning the main trophy, a scale model of the Clipper ship Fairclough.

Full details of the entries in the Financial Times Clipper race and the history of the Australian wool clipper ship is published in the official Clipper race programme which costs £1.

## LABOUR NEWS

## All-day talks raise Press peace hopes

By Our Labour Correspondent

DAY-LONG talks in Birmingham yesterday may have achieved a breakthrough in the eight-week dispute involving journalists on the Birmingham Post and Evening Mail.

The Advisory Conciliation and Arbitration Service's senior Midlands industrial relations officer, Mr. Stephen Hemmingsway, held separate talks with the two sides yesterday morning before bringing them together in the afternoon. Last night, the National Union of Journalists' chapel (office branch) was meeting to consider the outcome of the joint discussions.

Some 260 journalists have been sacked for holding meetings in office hours in protest at management's pay offer in local house negotiations which the journalists maintain is worth less than £1 a head. They have been picketing the building while the two papers have been produced by executives and members of the Institute of Journalists.

Management has offered to take the dispute to arbitration but the main sticking point has been the journalists' demand for payment covering the time since their dismissal.

A pay dispute involving members of the National Graphical Association yesterday prevented printing of the entire second edition of the London Evening Standard. About 100,000 copies were lost. Later editions appeared and pay talks are continuing.

## Courtaulds plant strikers seek docks' backing

By Our Darlington Correspondent

WORKERS FROM the Courtaulds factory at Spennymoor, Co. Durham, plan to visit northern ports to seek support for their 11-week strike which has closed the plant.

They will ask dockers to block the Courtaulds' exports in protest against the breakdown of negotiations of a claim by 160 engineers for an extra 11 per cent, worth up to £6 a week.

Management has said that they cannot afford any increases at the plant which is losing money at the rate of £1m. a year.

Talks involving management and national officials last week failed to settle the 10-week strike which has made 1,300 workers idle.

## Stewards meet Leyland today over industrial democracy

BY ROY ROGERS, LABOUR CORRESPONDENT

BRITISH LEYLAND and leading shop stewards representing some 116,000 of the company's workers will begin detailed discussions to-day aimed at implementing industrial democracy proposals accepted in principle earlier this month.

A three-day session of negotiations in Coventry between a 32-man ad hoc committee of stewards from the company's car division and senior management executives will review the proposals, which involve creation of a three-tier system of joint management committees and councils. But these stop short of worker representation at Board level.

Similar talks are being arranged between shop stewards and management in the company's truck and bus division, which employs some 27,000 workers.

The union side of the car division joint working party is dominated by the Transport and General Workers' Union and the Amalgamated Union of Engineering Workers, which, by virtue of their large membership fill 11 and seven seats respectively, while 11 other unions share the remaining 14 places. The truck and bus working party will also be led by the AUEW (12 seats) and the TGWU (four).

## Chrysler plans

One of the main issues to be discussed at the Coventry meeting is the method of electing the union representatives for the proposed joint committees. They are almost certain to be shop stewards. Once the election process is agreed, nominations are expected in time for the committee to be set up by the end of the year.

This time scale is similar to that envisaged by Chrysler U.K. for its worker-participation plans, which go further than Leyland's in that they include two seats on the company's main Board.

Chrysler stewards met later this week. If, as seems likely, they accept the proposals in principle, the company's 27,000 workers will qualify for £30 lump sums offered earlier this year. Finalisation of the scheme by the end of the year would bring a further £50 all round.

Car production was resumed at British Leyland's two Triumph factories on Merseyside yesterday following the return of more than 2,000 workers made idle last week by a strike of stacker-truck drivers. The 32 strikers ended their strike to allow further talks on their grievance, the dismissal of a colleague.

## Union anger at BSC blast furnace move

BY CHRISTIAN TYLER, LABOUR STAFF

BLASTFURNACEMEN AT British Steel Corporation's South Wales plant in South Wales are furious that the Corporation is to go ahead with the commissioning of a £155m furnace before reaching agreement with their union on pay.

Negotiations on rates for 150 men who will operate the furnace have been going on for over a year, and the furnace, the biggest in the country, should have started up in January.

BSC yesterday confirmed that commissioning would start immediately. A local official of the National Union of Blastfurnacemen said this was in breach of procedures, since negotiations, now at national level, were unresolved.

Mr. Bill Booth, local delegate of the Blastfurnacemen, said yesterday that BSC had virtually admitted it was fear of other unions putting in leap-frog claims at the plant that had stymied their own pay talks.

"Our members are sick of it all. Of course we want to fight the Number 3 (the new furnace); this is our future more than anyone else's. We are really keen to fight it, but not for boys' money, which is all the Corporation has offered us."

"It's industrial blackmail and we are very bitter about it." He claimed that the local management had threatened to close down the whole Llanwern plant (as was done last year in order to secure union pledges to stock to procedure) if the blastfurnacemen did not start work.

Premium rates for the 150 men ranging downwards from about £85 a week for the four "keepers" have been rejected

because, said Mr. Booth, without bonuses workers would be less than the rate for smaller furnaces.

The union is seeking £100 or more with bonuses, a rate which BSC fears could spread as other new furnaces are built.

By commissioning the Number 3 furnace the BSC is apparently trying to force the issue to a conclusion. The blastfurnacemen feel that the confrontation should not be with them, but with other unions such as the Iron and Steel Trades Confederation, if these unions seek to come back for more money locally as a result of a blastfurnacemen's settlement.

## Swan Hunter peace bid

THE 5,000 outfitting and ancillary workers whose seven-week strike has closed the Tyne shipbuilding yards of Swan Hunter and is challenging the Government's pay policy could be called to meetings early next week to reconsider their vote to stay out.

Mr. George Arnold, Tyne chairman of the Confederation of Shipbuilding and Engineering Unions, said yesterday he would like another approach to the Government and the TUC in the hope of settling a solution.

A TUC spokesman said last night he had no knowledge of any plans by Mr. Len Murray, TUC general secretary, to intervene in the dispute.

## Women 'still play minor role in trade unions'

THE International Women's Year has made little difference to the role of women in trade unions, according to the findings of the Equal Pay and Opportunity Campaign. Women are no more active in unions, the vast majority of executive members, officials and TUC delegates are men, says its survey.

EPOC, a pressure group of trade unionists who think far more could be done to encourage women to play a bigger part in union work, found a "considerable awareness" of women's rights among the 17 major unions it talked to.

But this had not extended to the union machine itself. For example, there are no women members on the national executives of the three largest unions — the Transport and General Workers' Union, the Amalgamated Union of Engineering Workers and the General and Municipal Workers Union.

EPOC asks unions to think far more often and far more positively about obstacles, such as family commitments, for women who want to take part in union activity.

## Draughtsman loses appeal over union membership

A 45-YEAR-OLD draughtsman who was sacked by the company he had served since he left school 30 years ago because he refused to join a union lost his appeal against the dismissal yesterday.

Mr. Gordon Phillips, of Barnsley, Lincolnshire, told a Nottingham industrial tribunal that he was bitter at being forced to do something against his wishes. "I do not object to unions but I refuse to be forced to join."

Mr. Phillips was sacked with eight weeks' pay in June from Clayton Dewdney Company, Lincoln, where he was a senior design draughtsman. The chairman of the tribunal, Mr. Michael Coulson, told him: "We find it sad that this situation has arisen after such long service and that a way could not be found to retain your services in the company."

Mr. Phillips said that he was informed by letter that unless he joined one of the specified unions he would be dismissed. This was after a 100 per cent union

agreement had been reached between the company and four unions.

"I have no objections to unions but I do object to being told to join one as a condition of employment, with no freedom of choice, and under the threat of dismissal. I offered to pay the equivalent of union dues to a charity but this was rejected. I was bitter at being forced to do something against my wishes."

Mr. Phillips said he was expelled by DATA, now the technical and supervisory section of the Amalgamated Union of Engineering Workers, after a dispute in 1960. He was discharged with them and did not wish to rejoin.

Mr. Leslie Wilson, deputy director of the East Midlands Employers' Association, told the tribunal, said Mr. Phillips was given notice because he would not accept union membership. The AUEW (TASS section) was the only appropriate union for him which was recognised nationally as negotiating for draughtsmen.

## Revenue asked to make yearly CTT limits review

BY MICHAEL BLANDEN

THE LIMITS on the new capital transfer tax should be reviewed annually and special arrangements made to prevent damaging effects on owners of small businesses, the accountancy bodies argue in a memorandum.

The Consultative Committee of Accountancy Bodies has asked the Inland Revenue to consider some form of indexing of the monetary limits applied to the tax. Pending such a move, it argues, "it is essential that there shall be an annual revision of every monetary expression."

The committee refers particularly to the first slice of an individual's estate which attracts no

CTT "now fixed at the unrealistically low figure of £15,000," and to the "equally low limits on gifts in consideration of marriage."

The memorandum also makes a special plea for small businesses, where, it is argued, the new tax can interfere with continuity. To prevent this, it is suggested, the payment of CTT on unquoted shares belonging to a deceased person who worked full time in the business should be deferred until either the shares are sold or otherwise disposed of by the transferee or until he ceases to work full time in the business.

## RACING

BY DOMINIC WIGAN

## Alphadamus is best

THAT GAME sprinter, Alphadamus, who won several valuable prizes in 1973 and 74, including the 1973 Stewards Cup when he just got the better of Home Guard, showed his best form for some time when third in the William Hill Handicap at Redcar four weeks ago. And I believe that he will prove up to winning 1-day's Cavalier Stakes (3.30) at Haydock.

Always showing prominently in that Redcar event, Alphadamus kept on well in the final furlongs to finish only two lengths behind the winner, Blue Star, from whom he was receiving a 1 lb. and half a length adrift of Lazenby.

That was his best display since he finished fourth of 30 behind Merry Cricketer in the 20-runner Phantom House Handicap at Newmarket last October, and in the belief that he has returned to something approaching his best form I take Michael Stoute's Mandamus horse to concede 5 lbs. to the in-form course winner, He'lland Jamie.

There could be another Newmarket success in the Tyldesley Nursery (4.30), in which I hope to see Doug Smith's Sky gain a well-deserved victory. This half-brother to Wolverene owned by Lord Derby has finished a good second in maiden races at Yarmouth and Doncaster, and I anticipate him proving too speedy for Gentilhomme, a game winner at Doncaster on his last appearance, and the consistent Survival, who chased home

Quio at Brighton earlier this month.

At Beverley, where Woodlinton is a tentative choice for the Jockey's event, the Beverley Ladies Handicap (3.45). I shall not look beyond the Michael Stoute-trained two-year-old, Mary Garden, in the South Maiden Plate (2.45). On her only previous appearance this year she finished second, finishing fastest of all when third behind Balidale at Windsor a fortnight ago, where she met with considerable interference.

Yarmouth racegoers could probably do worse than follow the fortunes of Gavin Pritchard, Gordon and Brian Taylor. I expect this trainer and jockey combination to land the Longshore Handicap (2.45) with the veteran *Gur Amir* and the Frank Stone Handicap half an hour later through Corraglio.

**HAYDOCK**  
2.30—Sylvan Lady  
3.00—Just Dominic  
3.30—Alphadamus  
4.00—Le Lion  
4.30—Skip  
5.00—Ramadour  
**BEVERLEY**  
2.45—Mary Garden  
3.15—Mileja  
3.45—Woodlinton  
**YARMOUTH**  
2.45—Gur Amir  
3.15—Corraglio  
4.15—Star Reform  
4.45—Stalbos

## TENNIS

BY JOHN BARRETT

## Change at Forest Hills

THIS, IT SEEMS, is the year of innovation and change. At Wimbledon, 97 years of tradition were nervously cast aside this year in a coy flirtation with commercialism that included on-site betting.

Here at Forest Hills, where harsh commercialism has flourished since 1968, a more fundamental change is introduced for the U.S. championship. Grass which has been the traditional surface since the first championship in 1881 gives way to Har-Tru, a slower clay-type surface which will change the whole character of these historic championships.

With three notable exceptions, the men's and women's fields that have assembled are as strong as they could be. Only last year's beaten finalist, Ken Rosewall, who is engaged on a coaching assignment, and another great Australian, John Newcombe, who may need an operation on his injured knee, are absent from the men's entry and the only notable woman absentee is the defending champion Billie Jean King.

It is no surprise that the holder of the men's title, Jimmy Connors, is seeded No. 1—though his last week to India's Vijay Amritraj at Orange, New Jersey, will hardly have boosted his confidence on a surface that is not his favourite one. In the second round Connors may meet Roger Taylor, one of the six Britons in the field, that is if

the Yorkshireman can first thwart one of Eastern Europe's best young men, the powerful Czech Jiri Hrebec.

Second favourite is the Argentine left-hander Guillermo Vilas who is repeating his post-Wimbledon surge of 1974 with tournament victories at Washington and Louisville. In his section are the 15th seed Jan Kodes of Czechoslovakia, the finalist here in 1971 and 1973, and another left-hander, Tony Roche of Australia, the seventh seed who was the runner-up in 1969 and 1970.

Wimbledon champion Arthur Ashe has not played well since the transfer to the slower pace of clay which does not suit his explosive game. He will be severely tested to live up to his status as fourth seed.

Britain's greatest hopes rest on the muscular shoulders of Mark Coy whose Pittsburgh Triangles were successful in the recent tennis final playoffs.

Virginia Wade finds herself as second seed to Chris Evert in the women's singles. Her shattering loss on Monday to the delayed final of the Westchester tournament to the little Florida double-bander will not have done her confidence any good and the draw could hardly have treated her more harshly. Her second match will probably be against the best of the unseeded Americans, Rosemary Casby, who, like Miss Wade, prefers a faster court.

All of these securities having been sold, this advertisement appears as a matter of record only.

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## Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

### SAFETY

## Move towards safer domestic electrical equipment

STATISTICS FOR deaths by electrocution and fire associated with domestic electrical equipment—there were nearly 100 in 1974—show that most resulted from misuse of the equipment due to the main to ignorance or foolishness.

On the other hand dangerous appliances continue to reach retailers. Television sets can ignite, lighting fittings can become live, insulation can be inadequate.

For some time U.K. electrical and electronic manufacturers have been aware that they would soon have to meet mandatory safety requirements but in some companies confusion has arisen about which documents, and which official, trade or testing bodies are involved and in what time scale.

The Department of Prices and Consumer Protection (DPCP) has now laid the Electrical Equipment (Safety) Regulations (1975) before Parliament (made under the Consumer Protection Act 1971) and these will come into force on April 1, 1976 for manufacturers and importers and October 1, 1976 for wholesalers and retailers.

Apart from safeguards and electric blankets there has been no previous legislation covering the safety of domestic electrical, electronic equipment. There are those in industry it is understood, who are under the impression that British Standards, electrical institutions' codes of practice, trade association approvals or codes and labels, the EEC Low Voltage Directive carry, in some way or another, legal force. But this has never been the case and the important point is that next year a new

law of the land will have to be complied with.

The regulations, obtainable at HMSO for 18p, relate to domestic equipment operating at 50 to 500 V ac and 75 to 750 V dc but exclude electric blankets.

They cover proper separation of live and non-live parts, "adequate" supplementary insulation, earthing of metal parts, and protection of the user from live parts by requiring the use of a tool to gain access to them.

They also require that both making connections be broken by any switch operating exposed heating elements (fires, toasters etc.). Moving or hot parts have to be enclosed or guarded and equipment must not generate "excessive" heat or emit radiation or harmful gases to a dangerous degree.

What constitutes "adequate" or "excessive" could in the last analysis be a matter for a court to decide: the DPCP believes it impossible to provide figures.

**Resale**

Repairs to equipment can be to the standard of original manufacture, but if the item does not comply with the regulations it must not be sold second-hand, except privately.

There are certain exemptions and delays in implementation. For example, bayonet fittings are not affected until January 1, 1978 (1979 for retailers).

What steps should makers and sellers take? Presumably because standards in the U.K. do not have legal standing, the regulations do not make substantial reference to them. However, the DPCP expects to publish in September a guidance document which lists the standards and approval

marks which in its opinion offer the degree of safety required.

The chances are that if a household appliance is manufactured to BS3458, it will comply. However, re-drafting to harmonise with EEC standards is in progress, and specific checks should be made for all hazards.

The same applies to international standards and to approval marks, although in the latter case there are conditions and reservations spelled out in the guidance note.

In the absence of any mark or certificate the manufacturer will be able to make his own "declaration of conformity" but must still manufacture to the relevant standard. Equipment not made to any standard will have to be tested if challenged by the Association of Short Circuit Testing Authorities, the British Approvals Service for Electric Cables, the British Electrotechnical Approvals Board for Household Equipment, or the British Standards Institution.

The DPCP is willing to give general advice, but for detailed advice is likely to refer callers to the Appliance Testing Laboratories of the Electricity Council, Cleve Road, Leatherhead, Surrey KT22 7SB.

Observance of the regulations is to be monitored by local authorities (Weights and Measures) but a deterrent effect is mainly aimed at by DPCP, which doubts official ability to entirely keep unsafe equipment out of the shops.

But if prosecutions are brought makers and sellers should remember that it is the Act that counts, not the standards or approvals.

GEORGE CHARLISH

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### INSTRUMENTS

## Gives quick modulation reading

THE LEVEL of frequency or amplitude modulation on an rf signal can be revealed in a few seconds using the TF2304 automatic modulation meter developed by Marconi Instruments.

Measurement procedure consists of simply plugging the signal lead into the instrument's input socket and selecting the measurement required. The meter automatically tunes to the carrier frequency, sets the signal level and reads either frequency deviation or percentage modulation depth, all in about three seconds.

Carrier range is 25 to 1000 MHz and the unit is primarily intended for servicing and production testing of mobile communications equipment, although it is also applicable to maritime and aeronautical radio telephones, fixed communications links and military communications equipment. For on-site work a carrying case is provided operation being from an internal battery.

Deviation on fm is measured in eight ranges from 1.5 to 150 kHz full scale for modulation frequencies from 50 Hz to 9 kHz and am depth has ranges of 30 and 100 per cent. Input powers from 80 microwatts to 1 kW can be accepted. More from Long-Aires, St. Albans, Herts. (St. Albans 59232).

### CONSTRUCTION

## Scaffolding security marker

SCAFFOLDING is a prime target for the building site thief as the scaffold tube is difficult to identify.

To overcome this problem, Technic, of Tiverton Road, Birmingham, has developed a machine for permanently marking scaffold tube.

Known as the Techmark 160, it does not require a skilled operator. Tube is fed into the machine, where it is supported by one roller while another, carrying the engraved tool steel marking heads, impresses the marks on the tube at 330 mm intervals. A 6-metre (20-foot) tube can be marked in 7½ seconds, and the machine says the working rate is 49 metres/minute. The marking head will process 30,488 metres (100,000 feet) before requiring replacement.

It is claimed the mark cannot be removed, that it does not affect the strength of the tube and that no ovality is caused. Steel or aluminium tube can be marked.

The machine is being marketed by Exit Associates, 9 Riseley Road, Maidenhead, Berks. SL6 6EP (0625 38554).

### METALWORKING

## Teaches how to be a welder

A MODULAR teaching package for training welders, developed by Miller in the U.S., is to be marketed in the U.K. by Interlas Welding Products, P.O. Box 21, Hitchin, Herts. (0462 50461).

Each package comprises a series of training modules and each module provides instructional materials, texts, quizzes, etc. 8mm colour sound film, practical exercises and tests. Because of the modular nature of the course, each student can progress at his or her own speed.

The first package covers the oxy-gas and manual metal arc processes. There are ten modules, each building on its predecessor, yet complete in itself. The student can take the whole course, or those modules relating to a specific job. After completing a module the student has to pass a practical exercise before he can proceed to the next.

There are three more packages being prepared, covering other processes and techniques. Each will cost about £1100, including the instructor's package.

### PROCESSING

## Oil quench vacuum furnaces

SEVEN GAS or oil quench vacuum furnaces have been developed by Westgate Engineers, Industrial Estate, St. Ives, Huntingdon, Cambs. (0480 63954).

Hot zone sizes range from 10 x 4 x 8 inches high to 30 x 48 x 30 inches. The furnaces may be delivered in simple versions for



Storage vessels with capacities up to 1m litres the installation of a Deuma sling and can be produced at Air Products' works at aligning machine. Operations start with a Acrefair, Clwyd, N. Wales. The company says that it is now making a greater proportion here, eventually is shaped around the machine. of tank work on a flow line basis following Production time is greatly reduced.

gas and oil quench hardening under rough vacuum or by using the component system, valves and additional chambers may be added to provide units with double hot zones capable of providing throughput up to 500 kg/hr.

The company claims that many steels hitherto regarded as requiring an oil-quench can be satisfactorily hardened (in appropriate sections).

A further advance in the design of these furnaces means that they may be used for many of the well known surface treatment processes, as well as for vacuum brazing at any vacuum down to 1 x 10<sup>-5</sup> torr.

### PACKAGING

## Wraps free-flowing products

DESIGNED to provide a pillow pack wrap for all types of granular or free flowing solids is a vertical form fill seal machine. Although primarily designed for foodstuffs, it can also be used for small hardware items. The wrapping material can be a heat sealable film in cellulose, polypropylene or other suitable material or a film laminate. Called the Verso Flex, it produces a pillow pack with crimped end seals and either a lap or an back type seal. The crimp serrations can be either vertical, horizontal or diagonal.

### MATERIALS

## Maintenance cost cut by sealer coat

ACP is a non-toxic solution of acrylic based copolymers with a metallic molecular structure forming a non-porous sealing film which—unlike many paints—contracts and expands with the substrate without becoming brittle or flaking. It is sprayed over prepared (clean and dry) surfaces, drying to a hard but flexible clear bright skin to give a smooth resilient durable surface, incorporating ultra violet light absorbers which reduce colour fade.

This description is given by the company marketing the product, Dafaun, 260 High Street, Poole, Dorset (02013 71910), which says that the sealer simply " Pays in maintenance as the surface is protected against corrosion, and that unless the sealer broadens.

surface is damaged repainting is not required. The product, made by a Southampton pharmaceutical company, is said to be suitable for marine applications, including buoys, ship bottoms, topdecks, superstructure and engine room and for industrial plant.

On vehicles it enhances the appearance and reduces painting and washing costs. In marine applications, the company says one of the most important aspects is mechanical antifouling, which is achieved because the surface is so smooth that barnacles and marine growth cannot adhere to it. Apart from enhancing the cosmetic appearance of the vessel and reducing the need for repainting, the coating protects the hull, superstructure and engine room from the corrosive effects of seawater, ozone, and oils.

The coating can be applied to glass, fibre, primer or top-coat painted surfaces, bare metal surfaces (ferrous and non-ferrous), and wood. Stonework, brickwork and concrete can also be protected. Cost varies from £2.20/litre (antifouling) to £1.65/litre (most other applications). For industrial plant the company offers a ten-year guarantee, and for vessels and vehicles a two-year guarantee. It is interested in appointing agents for the system.

By agreement between the Financial Times and the ACP, information from The Technical Page is available for use by the Corporation's External Services as source material for its news coverage, and that unless the sealer broadens.

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Business Consultant/Lecturer spending 2 weeks in Cairo early September would undertake enquiries or other business commissions. Comprehensive knowledge of UK business, marketing, new products, manufacturing, finance and legal aspects of joint venture and agency agreements. Available for discussions in UK before departure early in September.  
Enquiries to Box E.6366, Financial Times, 10, Cannon Street, EC4P 4BY.

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Write Box E.6356, Financial Times, 10, Cannon Street, EC4P 4BY.

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with strong financial expertise would like to hear from companies in financial difficulty but with potential for turnaround or reconstruction. Equity participation envisaged preferably with existing management prepared to stay.  
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Principal or agent.  
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Noble and Beck Ltd.,  
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**USED M.C.R. Cash Registers wanted—**the price paid. Send details to Box E.6369, Financial Times, 10, Cannon Street, EC4P 4BY.

**JOINERY COMPANY**  
Private company with substantial sales wishes to purchase or invest in a business, probably operating in Service Industries, making pre-cut (£9/£150,000 per annum. 5000s for expansion is required. Existing management kept.  
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Quoted company seeks to purchase for cash or cash/shares 75/100% of business, probably operating in Service Industries, making pre-cut (£9/£150,000 per annum. 5000s for expansion is required. Existing management kept.  
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# The Executive's World

EDITED BY JAMES ENSOR

## Art Garcia reports from California of Arco's efforts to show it is An oil company with a soul

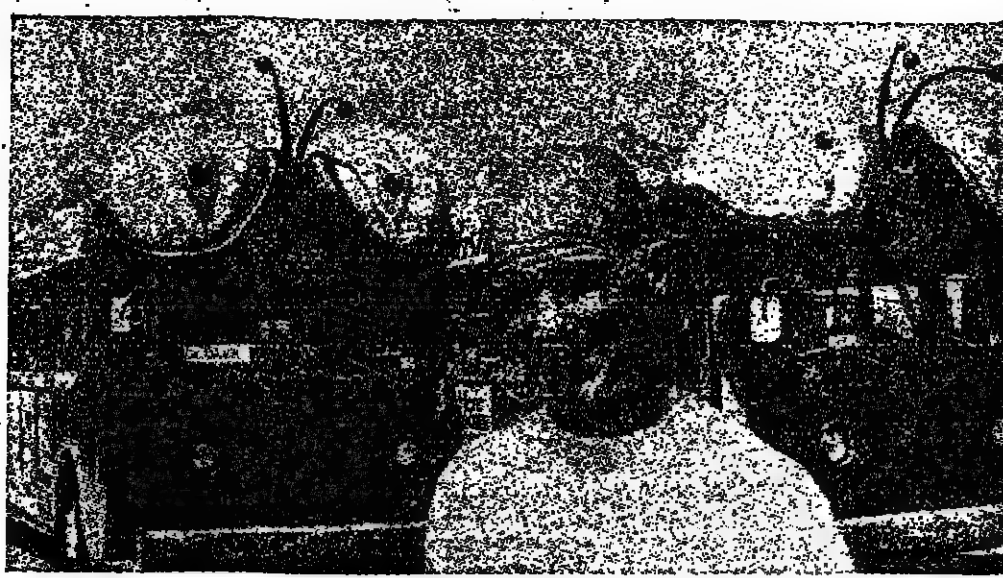
TO MOST American motorists, the big oil companies are fastening themselves on the energy shortage by controlling the availability of fuel while jacking up prices with seeming impunity. To the big oil companies, however, government, environmentalists and motorists don't understand the tremendous costs involved in exploring for and producing oil and gas. All those healthy profits are needed, they say, to feed the capital spending that will help America reach President Ford's goal of becoming self-sufficient in meeting the nation's energy needs. Through all the confusion and conflict, oil companies remain among the most unloved of giant corporations, but one has successfully hammered out an image of its own that has generated praise, if not affection.

Atlantic Richfield Company, the result of a 1968 merger of Richfield Oil Corporation of California and Atlantic Refining, is an oil giant (8th largest U.S. oil company, with 15,000 service stations in 27 states) that not only wants to be loved but works actively at polishing its public image — and in the process separating that image from the rest of the oil industry. While the other major oil producers crank out self-serving advertisements that pass for "social responsibility" messages that blame everyone from Congressmen to consumers for all their woes, Arco (Atlantic Richfield's acronym) has shown a special flair for talking very much unlike an oil company. Arco has been years ahead of its competitors in relating to real problems and attempting to feel the public pulse about its greatest concerns.

### Society

Past public-spirited Arco ad programmes have campaigned for the use of highway trust funds for rapid transit, discussed the problems of urban blight and warned of the increasing worldwide food shortage. They're part of the corporate thinking that is passed by Chairman Robert Anderson and President Thornton Bradshaw which asserts Arco has a place in society and that its customers are its constituents. "The basis of our philosophy is that any large company is part of the social structure of society," says Mr. Bradshaw, "and, as such, we must spend time trying to do the things we think are right — not do what we think is wrong — and let the people know about it. If we don't let them know about it, the people won't let us stay in business."

Arco's advertising manager supports that view, committing the ad efforts are directed at immediate sales "but at creating a long-term personality for this company which will benefit us in all kinds of ways." An example is the pickup in invitations to Arco executives to participate in panels and public



Arco's advertising includes promotions for such people as Jack Haberstroh who runs a free bus service for San Diego students, financed by advertising outside and taped commercials inside.

forums. Also not lost on the company is the warmer reception it believes it now receives from legislators when Arco wants to talk about its problems. But Arco's latest campaign, and one of its most successful, has centred not on talking to people but on the public talking to Arco. It's part of a nationwide \$5.5m. Ideas on Public Transportation campaign that's just winding down after 11 months of soliciting more than 40,000 letters and 50,000 suggestions from throughout the U.S. and from 30 countries.

No inside information was needed to recognise the inevitability of a major shift in the U.S. to public transportation, says Mr. Bradshaw. "From any standpoint—energy consumption, environmental degradation, or the plain logistical nightmare of moving increasing numbers of people—it is clear a better system is required," he declares. "But what kind of system — or systems — are we looking for?"

"We decided to ask those who have the greatest experience with the problem—the American people. Who, we reasoned, would have a better motive to find a solution, or more time to perfect it, than the individual who routinely spends hours trying to cover a few miles?" explains the Arco president.

### Humorous

So in a series of ads appearing on television and in newspapers in 18 major U.S. markets, as well as in three national newspapers, the messages were asked for their ideas on mass transit. Not all of the letters, as Mr. Bradshaw notes, were brilliant or even original. More than half dealt with strictly technological aspects of carrying groups from place to place. Many were humorous, some ingenious, and a number have been selected to be part of a series of four slick booklets Arco is producing that highlight the best of the contributions. There are no prizes and no winners, just the satisfaction of speaking out and, perhaps, helping out.

"Quite a few of the submissions were offbeat and impractical," admits George Kriste, a round attorney on leave from Arco's legal department who headed the campaign as project manager. "A large majority of the ideas actually were rediscoveries of the wheel. Very few people had new or novel ideas, but to experts in public transportation, this didn't come as a surprise because there haven't been any significant transportation innovations since 1937 when the jet engine was developed," he says.

There was a lot of doubt

initially that an oil company could really be serious about rapid transit problems, recalls Mr. Kriste. But as the ad campaign continued, the flow of mail into his office at Arco's Los Angeles headquarters grew to a deluge. There was no pre-testing of the programme before running the ads nationally, so no one at Arco or its agency knew what to expect. Not surprisingly, some of the letters it received were from disgruntled motorists generally fed up with traffic jams, poorly designed autos and rising fuel prices.

"A third of the ideas were on quality or level of transportation service," says Mr. Kriste. "These were the emotional ones, from people angry with either transit services or the services an auto gives to its owner. Another 14 to 15 per cent tackled financial or organisational aspects of transportation. Some of these people also were emotional, complaining private enterprise is going things up or free enterprise should run transportation. They ran the gamut," he says.

The third category, technology, was the largest—more than 50 per cent submitted ideas that were basically technological. "Many of the ideas were more far-fetched than far-reaching. Among the 5,000 entries from school children was a creation called the Flying Whale, sort of an airborne bus plus commuter capsules that would be fired from cannons and shot onto passing trains. A San Diego man proposed battery-powered autos designed as electric plugs that could be charged at parking sockets that would replace parking meters. Others suggested going away with fares on public transit, converting public transportation tickets to lottery tickets which would pay handsome cash prizes at monthly drawings, using existing aqueducts for public travel, and propelling commuter trains through giant pneumatic tubes. Then there were the ideas for moving a bus by having passengers pump a set of pedals: stringing electromagnets to pull transit vehicles along, and a switch on merchant validation of parking by validating non-parking through round issuance of public transit stamps to customers."

Mr. Kriste organised a task force of readers to wade through the commuter cannons and flying whales and other impractical or unusable ideas to cull, and acknowledge them all. "If a letter had the seed of a good idea it was sent to a review Board of graduate students who are doctoral candidates in urban planning and transportation at UCLA," he says.

The best of these batches were forwarded to a "blue ribbon" panel of three professors at the University of California at Berkeley and at UCLA, experts in public transportation and urban planning. The very best of the ideas have been appearing in Arco ads in the series of booklets. "The better of the crop are being culled out of that group and will be distributed to different State and Federal transportation agencies," Mr. Kriste says. So far there have been more than 500 requests from various Government agencies responsible for public transportation to see the top suggestions, including several appeals from abroad.

### Programme

Asked what Arco does for an encore to its successful campaign, Mr. Kriste shrugs. "That's a good question. The company's commitment is still there to support public transportation, but specifically, I don't know what the next step will be." Arco, in the meantime, has shown the way for other major oil companies in doing more than talking about "social responsibility," an effort that has gone beyond its clever ad programme. Mr. Bradshaw, for example, first began advocating use of Highway Trust Fund revenues for public transit in 1971, and in 1973-75 he served as chairman of Los Angeles Mayor Tom Bradley's Citizens Advisory Committee on Rapid Transit that urged a "Yes" vote in last year's defeated mass transit election. Arco for several years also has contracted with the city's Rapid Transit District for more than a dozen buses to pick up and deliver commuters to the Arco Plaza headquarters in downtown Los Angeles.

About 25 per cent of the company's nearly 2,000 employees use the special buses, with Arco paying \$15 of the \$45 monthly fare. Arco also encourages carpooling by charging half price for parking below its building for cars with two commuters, and permitting free parking for cars with three or more riders.

And, in show that management is willing to sacrifice for the masses, the company last year traded in four of its Cadillac cars for more economical Audi. "You may think it curious that an oil company, whose principal business is making and selling gasoline for private automobiles, should be concerned with improving public transportation," writes Mr. Bradshaw in the second of the four booklets on public transit ideas. "And perhaps it is. But times are changing," he says, "and we want to change with them."

## The British rebuild Europe

BY JOHN TRAFFORD

NEXT month Marks and Spencer will open its third store on the Continent—a fine 32,000 square foot medium-sized retail unit in two floors which forms part of the large Part-Dieu urban redevelopment in the centre of Lyons.

M and S has, of course, much to win or lose from its Continental venture and it is far too early to judge the long-term viability of the Paris and Brussels stores that were opened earlier this year. But there is another company which also has a strong interest in the success of the M and S entry into the Continental retail market. The company in question is Bovis, the construction firm, which has had a hand in building or fitting out every M and S store in the U.K. since 1926. If M and S succeeds, many valuable building contracts on the Continent could well come Bovis's way.

The Lyons contract, worth about £1m, is the first work that Bovis has done for M and S on the Continent. The contractors got access to the concrete shell of the shop only last February and ever since have been busily working with various subcontractors to fit out the store in readiness for the official opening on September 8. The M and S store, will definitely be trading that day even though the official opening of the shopping complex may well have to be postponed because so few stores will be ready.

The most interesting feature of the contract is not the great speed with which it has been carried out but the identity of the contractor. For the Lyons work has not been carried out by Bovis alone but by a joint 50/50 company which Bovis set up last September with the large French builders and civil contractors SAE (the Société Auxiliaire d'Entreprises).

### Progress

So far the new company, called SAE-Bovis, has only tackled this one contract but both parties profess themselves sufficiently satisfied with progress for other work to be undertaken jointly. This could eventually mean that SAE-Bovis had permanent staff of its own rather than the present makeshift arrangement whereby key people from the two parent companies are assigned part-time or for short full-time stints to the joint enterprise.

The Lyons operation dovetails with the Bovis plan for reaching not only the French building and construction market but other prosperous continental markets as well. Earlier this year two other 50/50 companies were set up: Bovis-Deesink in the Netherlands and Bovis-Emile Blaton in Belgium. Bovis also intends to set up similar joint ventures in West Germany, Switzerland and Italy.

The company has been involved in Continental development work for nearly five years. In the early days it concentrated on winning project management contracts where the actual work of construction and the employment of local labour was handled by a local builder. The first job of this kind was the Marriott Hotel in Amsterdam which was completed in December last year and this was followed by the construction of a store for Mothercare, also in Amsterdam.

These projects were soon followed by a number of shop, office and industrial developments in Holland and Belgium. However, project management is not the area of the business where most building contractors like to see themselves permanently located. They natur-



Lyons' ambitious Part-Dieu redevelopment scheme, a short distance from the city centre. The shopping complex is in the middle right of the photograph.

ally gravitate towards mainstream building work where they have the opportunity to win big profits from large construction contracts.

Mr. Chris Spackman, Bovis Construction's executive director for Europe, explains that the point was soon reached where some reappraisal of this approach was needed. Europe, unlike the developing countries, already has a well-developed indigenous building and construction industry. The leading contractors in each country are well placed to fight off any major attempt by a foreign company who wants to break into their home market. So the question had to be put: has Bovis anything unique to offer the European market, and if it has how should it set about offering it?

Many of the other large British contractors have come to the conclusion that they do not have a sufficiently strong sales line for it to be worth their while to enter these markets except, occasionally, through acquisition of a going concern.

Their interest tends to lack any discernible pattern as they might expect if there are no very clear economic forces pushing British contractors to involve themselves in these markets. Laine has a large and important subsidiary in Spain which undertakes all manner of civil engineering and building contracts, but is otherwise uninvolved. Wimpey has a wholly-owned house-building subsidiary in France and a 50 per cent owned road building company. Wimpey Asphalt, Taylor Woodrow and other Continental subsidiaries are established with them in the U.K. will be able to set work in one of the other European countries. The British companies have shied away from the tough markets of the EEC because of local well-entrenched competition. Bovis has had the confidence to formulate a plan of attack.

### Structured

Bovis, in contrast to the other companies, has tried for a co-ordinated, structured approach to entry into continental markets. In fairness, it must be said that no-one can yet say whether this approach is the right one for the company since the joint ventures have been in existence for such a short time.

The company identified two aspects of its business which might be useful to gaining business on the Continent. One was the company's large range of large, internationally involved clients. Marks and Spencer is only one of the most prominent.

Most of the company's larger clients are active on the Continent, either trading or developing property so the hope is that Bovis, through the good reputation and close links it has established with them in the U.K., will be able to set work in one of the other European countries. The British companies have shied away from the tough markets of the EEC because of local well-entrenched competition. Bovis has had the confidence to formulate a plan of attack.

The other sales point as far as Bovis is concerned embraces the company's "Fee System" of bidding for work and its "Management Contract". Under the "Fee System" there is no tendering; the client's architects prepare the sketch plans and outline specification.

In effect, the client is billed at cost for the contractor's work and for that of the sub-contractors; he pays a fee to Bovis calculated on the basis of the value of the work estimated by the quantity surveyor before the work started.

The "Management Contract" is an extension of the "Fee System"; the company provides overall management and claims to work with the client and his professional advisers from the outset, charging a fixed percentage fee negotiated in advance.

Although neither system is unknown on the Continent, Bovis apparently feels that its system of working is sufficiently unusual as to amount to a selling proposition.

The test is now to come. SAE-Bovis is now looking at a further five projects. Two are office refurbishments, one a warehouse and two are holiday-linked schemes. In each case a U.K. client or some U.K. connection through a professional firm (architect or surveyor) can be traced as Bovis may indeed prove a generator of fresh business for the French partner.

But whatever the outcome, the British companies have shied away from the tough markets of the EEC because of local well-entrenched competition. Bovis has had the confidence to formulate a plan of attack.

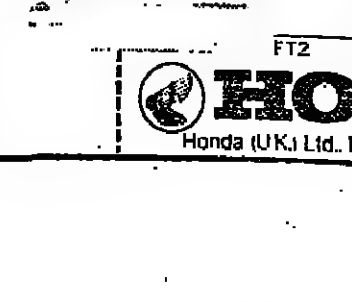
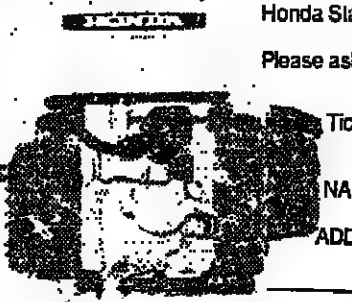
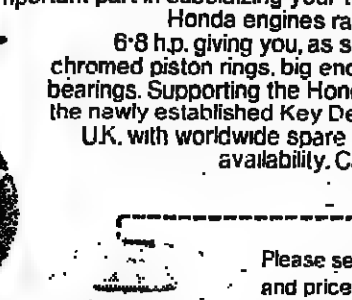
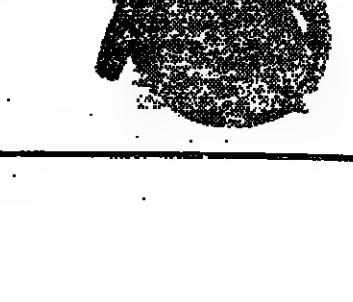
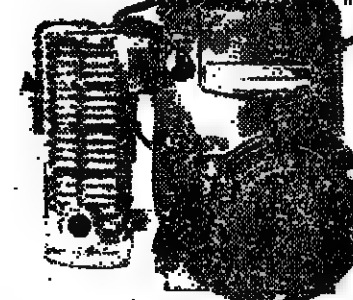
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### BUSINESS PROBLEMS

BY OUR LEGAL STAFF

## Health and safety at work

In your reply of July 9 under the heading Health and safety at work, you suggested that the Health and Safety at Work Act would not be of much assistance to an accountant who might be injured when working on a client's premises. Would he not be covered by Sections 3(1) and (3) of the Act?

The situation described in the query would be "covered by" Section 3 subsection (1) and (3) in the sense that those provisions apply. However, those provisions are expressly stated not to give rise to civil liability, so that a breach of the statute would not be a cause of action for a person injured in the circumstances which gave rise to the breach.

### Close company interest

I am in the position of holding 50 per cent of the shares in a company and hold the chairmanship. My accountant informs me that I cannot take any interest until the corporation tax has been deducted. Does the same rule apply to the other directors, or can they take out their fees, salary or emoluments, or whatever, you wish to call them, prior to corporation tax being levied?

The tax rules relating to close

companies are too complex for us to explain in full, but there is a free booklet on corporation tax (IR18) which should be obtainable from your local tax office and should help you in understanding your accountant's advice.

The provision to which he was referring was probably section 285 of the Income and Corporation Taxes Act 1970 (as amended by the Finance Acts of 1971 and 1974). Broadly speaking, this relates to interest paid by a close company to a director, or to an associate of a director, or (a) the director (either on his own or with associates) is able to control more than 5 per cent of the Ordinary share capital; or (b) associates of the director are able to control more than 5 per cent of the Ordinary share capital; or (c) more than 5 per cent of the distributable income of the company could be apportioned to the director and/or his associates.

### Doubtful "Golden Handshake"

Two years ago I sold my business and retired. I had an employee of many years standing and in addition to his redundancy payment I gave him £1,000 for his faithful service. Is it correct that I can charge this sum against profits and that the

recipient will not have any tax to pay?

It is doubtful if the Inland Revenue will agree to allow the £1,000 payment in computing the profits of the business for tax purposes because they may argue that it was not incurred wholly and exclusively for the purpose of the business but was incurred in fact with a discontinuance of the business in mind.

### GTT and small businesses

In his last mini-Budget Mr. Healey made some reference to a GTT concession for small businesses, but I have not seen this enlarged upon. Have you any information, please?

The concession which was said to benefit small businesses was merely the introduction, during the passage of the December 1974 Finance Bill, of the lower scale of rates for lifetime gifts.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.



# THE FINANCIAL TIMES

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WEDNESDAY, AUGUST 27, 1975

## Ten points to remember

THE POPULAR guide to the Government's anti-inflationary programme is frank in places—where, for example, it acknowledges that "a great many people will have to suffer some cuts in living standards"—but is otherwise simplified to the point not only of banality but of an assumption that banality must be uncontroversial. We therefore append the following brief comments on its Ten Points.

● **Inflation hits hardest at the housewives and the pensioners**—especially housewives who are cheated by their husbands, and pensioners who suffer, directly or indirectly, from dividend control.

● **Unlaid inflation is checked, the threat of increased unemployment remains with us**—and industry cannot expand—until excessive public expenditure is checked, that is, the profitability of private industry will drop to the point where it is forced to lay off workers and postpone new capital investment.

● **Unless inflation is checked, we risk economic disaster at home and bankruptcy abroad**—read "excessive public expenditure" for "inflation" and remember that the form of bankruptcy abroad which the Government seems most to fear is control on domestic credit expansion as a condition of an IMF loan.

● **Pay restraint will reduce inflation without sacrificing our long-term economic goals**—whether the goals in question are those of the country or the Labour party is left, presumably deliberately, unclear.

● **The Government's pay restraint programme is based on agreement with the TUC and depends on the full backing by all on both sides of industry**—it is odd, therefore, that the TUC was consulted so much more fully than the CBI, especially since there seems to be a basic disagreement between Government and TUC about the question whether £8 is to be a maximum or a flat-rate increase.

● **It is a fair policy because it is designed to give most protection to the lowest paid**—the TUC idea of everyone getting an extra £8, whether or not their employers can afford it, is in flat contradiction to this statement.

● **It is fair because those best able to protect themselves will get least**—apart from the question of differentials and the fact that the out of other ideas.

## Why the colonels received mercy

POLITICS never was a game for the squeamish, least of all in countries such as Greece with a history of coups, counter-coups, sudden changes of regime, and even of civil war. When Greece lost its war against Turkey in Asia Minor in 1922-23 three ex-Premiers, two former Ministers and the defeated commander-in-chief were tried and executed. That was an episode which for long poisoned the atmosphere in the country.

After the second World War the Communists and their allies fought a bitter civil war against the monarchy and the representatives of conservatism and of the traditional forms of bourgeois democracy. Much blood was shed and at times quarter was shown to no man.

**Repression**  
Given such a history Colonel Georgios Papadopoulos, as he then was, and his co-plotters must have been fully aware of the risks that they were running when, in 1967, they destroyed a somewhat rag-tag Greek democracy, but still a democracy. The subsequent history of repression in Greece is sufficiently recent for it to be clear that Mr. Papadopoulos and the other members of the fallen Greek junta have little claim to the world's sympathy now to power tried not only to control that they have been sentenced to death. But there is more than an aversion from firing squads and the use of the hangman's noose which can be adduced to justify the reprieve decided upon by the Greek Cabinet.

As it has done in pressing for managerial classes have already suffered severely in terms of real post-tax income, this statement seems to imply that some ledges that "a great many people will have to suffer some cuts in living standards"—but is otherwise simplified to the point not only of banality but of an assumption that banality must be uncontroversial. We therefore append the following brief comments on its Ten Points.

● **The Government is helping families over the difficult period, as price increases come through and before the new policy begins to bite**, with subsidies on food and housing—although its general policy is now to cut subsidies and raise prices, that is, as in the case of the nationalised industries, the Government has felt obliged on emotional grounds to push up its expenditure by providing some food and housing subsidies indiscriminately to those who need them and those who do not.

● **Unavoidable sacrifices in living standards during the coming months will be repaid by a rapid fall in the rate of inflation during the coming year**—those, that is, who belong to weak unions and no union at all or who respond most warmly to the Government's appeal, will either lose their job or suffer a drop in their standard of living in the hope—the fact will be partly determined by world circumstances outside our control and others within our control, such as public expenditure and the growth of the money supply, which are not mentioned in this pamphlet—of bringing inflation down to a rate which our main industrial competitors have already achieved.

● **YOUR support is vital during the next critical 12 months**—This final statement is that which stands least and most in need of qualification. Control of incomes, if it works, can help to ease the transition back to a more tolerable state of economic affairs and therefore deserves support. But first, it will only achieve this aim if it is supported by cuts in public expenditure and the public borrowing requirement, about which the pamphlet is silent. Second, the "programme over a number of years" to which the pamphlet also refers is not spelt out and may include measures dear to the Labour Party which would not necessarily be supported by other parties and a majority of the electorate. In giving qualified and temporary support to what the Government is doing, therefore, the Opposition would do well to remember that the question of differentials and the fact that the out of other ideas.

● **It is a fair policy because it is designed to give most protection to the lowest paid**—the TUC idea of everyone getting an extra £8, whether or not their employers can afford it, is in flat contradiction to this statement.

● **It is fair because those best able to protect themselves will get least**—apart from the question of differentials and the fact that the out of other ideas.

● **It is fair because those best able to protect themselves will get least**—apart from the question of differentials and the fact that the out of other ideas.

Mr. Mavros evidently gave pride of place to the need for catharsis, a clearing of the air by drastic methods: there is no reason to suspect him of being personally vengeful, however many of his followers may be moved by the wish to repay the colonels in kind.

**Start made**  
But one should also accept other members of the fallen Greek junta have little claim to the world's sympathy now to power tried not only to control that they have been sentenced to death. But there is more than an aversion from firing squads and the use of the hangman's noose which can be adduced to justify the reprieve decided upon by the Greek Cabinet.

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After a year of basking in the pleasures of sudden wealth, Iran is now having to face its problems

# Iran: suffering from the embarrassments of riches

From ROBERT GRAHAM, Middle East Correspondent, Tehran

EACH day the list of Iranian businessmen jailed or sent to cool their heels in some remote part of the country grows longer. They are all casualties of the Government's tough campaign against price rigging and profiteering. The latest prominent head to roll is the man who held the BMW concession here: he has just been jailed for selling the highly popular BMW saloon at almost 40 per cent above the official list price. (He was also alleged to have announced in the Press that he had dropped the price of spares and service when in fact they had been raised.)

In all, some 8,000 people have been arrested in the six weeks since the Shah declared that the spiralling increase in the cost of living had to be drastically reduced.

Having looked for over a year in the pleasures of sudden wealth, Iran is now being confronted, brutally at times, with its problems. The sharp rise in the cost of living and profiteering is just one instance. There are plenty of others. The basic truth being brought home to the nation is that you cannot have a massive increase in Government investment and heavy private spending in a country with a still underdeveloped infrastructure without serious distortions arising.

## Applying the brakes

Circumstances have changed fast, and much faster than expected. Few would have imagined, even six months ago, that the authorities would now be forced to apply the brakes, that budgets would be tightened, that Iran, having only last year lent money to Britain and France, would so soon be looking to the international market for funds (which it now is) or indeed that the rial which was pegged to SDRs in February in order to guard against the decline of the dollar should now find itself devalued against the dollar by 1.6 per cent.

The mood has changed accordingly. The gold fever time atmosphere has evaporated and in its place the sobering reality of the carpet-baggers who flocked here earlier in the year. This has been replaced by a degree of uncertainty, even nervousness, among some businessmen, while the authorities are proceeding more cautiously with a more sober grasp of the limits of the country's wealth and absorptive capacity. Faced with the forthright all price negotiations in September there has been no advance trumpeting of demands because it has been realised that a sharp price increase in

the "noble product" will not simply mean more money in the bank but also further (and perhaps unacceptable) inflationary pressures on the economy.

Information is only coming out now on just how overheated the economy has become. In the first quarter of the new year, which began on April 1, Government spending was up 208 per cent on the same period last year. Over 40 per cent of the permitted increase in credit to the private sector had been used up. In past years never more than 19 per cent had been used during this period. Some banks had utilised their entire allocations for the year and were faced with the prospect of relying solely upon repaid loans as a source of local finance. To

foreign aid would only be granted where considered "vital." The message was also put about that it was most unlikely that there would be a supplementary budget (in recent years it has been the practice to graft a supplementary budget onto the existing budget).

This was subsequently followed last month by the "war on prices" in an effort to lessen the heavy effects of inflation on people's pockets. More recently this month the Central Bank decided to introduce a series of monetary measures to absorb excess liquidity, and discourage short-term foreign borrowing. These measures included the raising of the ratio of obligatory deposits on short term foreign

## SUMMARY BALANCE OF PAYMENTS \$m

	1972-73	1973-74	1974-75
Current receipts	3,337.2	6,284.8	18,670.8
Current payments	-3,502.4	-5,899.5	-10,172.0
Net current account	-165.2	384.5	8,498.8
Net capital account	592.2	893.3	-3,222.3
Errors and omissions	4.2	27.3	-35.2
Incidental receipts/payments	61.9	-234.2	-
Overall balance	492.9	1,068.8	5,240.7

secure extra funds they turned to foreign sources for short term borrowing. Money supply was increasing at almost 60 per cent, while imports, running at an average of \$1.2bn. per month, were almost 100 per cent up in value on the same period last year.

In effect what has happened is a change in the traditional cyclical pattern of the economy. Normally the first half of the year is a slack period with budget spending only being felt in the last few months. This was the case in 1974/75 but in a more exaggerated form, when refuelling the full impact of the new oil revenues, almost two-thirds of the increase in money supply took place in the last quarter. However, instead of tailing off, spending continued to accelerate, bringing with it all the inflationary effects. By June this trend showed no sign of abating, which was especially worrying since oil exports over the 12 months period to the end of May had declined by about 1m. barrels a day, equivalent to a revenue drop approaching \$4bn.

Perhaps somewhat tardily the authorities decided to act, although their dilemma was a difficult one and they were reluctant to put too much of a damper on growth. Curb measures were placed on Government spending and orders went out from both the Planning Organisation and the Prime Minister's office to prune unnecessary expenditure. It was announced that

the aspect of this new situation which has attracted most attention abroad is the fact that Iran has once again found itself turning to the international market for funds. Earlier in the year it had been generally accepted that this would occur around the beginning of 1976. As it is, discreet feelings began to be put out in July. Now it seems that Iran will be looking for something like \$1.3bn. before the end of the year. (The biggest slice of some \$500m. will be wanted to finance a petrochemical complex venture with the Japanese).

According to a senior Central Bank official Iran is not going to the market for balance of payments reasons. Central Bank thinking is that while Iran enjoys a good international credit rating it makes sense to give Iranian banking institutions experience in large scale project finance. For the past two years Iran has relied upon neither of its traditional

sources, the World Bank and the international market, and solely upon Government funds. Rather than run down reserves, which on very conservative estimates stand at around \$7.1bn, for project finance, the Central Bank argues that now is the time for Iran to reintroduce itself into the international market.

This begs the question whether Iran will experience balance of payments problems this year. A cautious answer must be in the negative. However, the picture from now until the end of the year is clouded by a number of imponderables, the greatest of these being the nature and extent of any oil price rise.

Oil exports are now picking up slightly and with a switch to lighter crudes, oil revenue is now running at around \$1.4bn. per month. For the year—excluding any price increase—oil revenues would work out at around the same as last year's \$18.6bn. This includes one month's extra payment this year since a dispute held over the final 1974-75 payment. Taking account of limitations imposed by the ports' infrastructure plus a continued degree of imposed inflation, the cost of imports and services is unlikely to top \$17bn., including defence. Total foreign commitments are unlikely to be above \$3.2bn. With foreign receipts totalling around \$30.5bn., the same as last year, this will leave a small surplus. However, some argue that more expensive than even with a price rise creating a small deficit. The only certainty in this is that any oil price rise will not really be felt until the last quarter—if then—because of the 90-day period of grace.

## Fundamental effort

Although the Iranians on an international level are concerned that oil should have a "realistic" price, the impression from talking with officials is that their preoccupations are at present elsewhere—looking inward to solving the structural problems of the economy and avoiding the kind of heady unchecked growth of the previous months. For instance, according to the Commerce Minister, Mr. Ferioudj Mahdavi, the campaign against prices is not a simple affair of forcing manufacturers and retailers to reduce prices but is part of a more fundamental effort to reorganise distribution. (An interesting sidelight of the campaign is the way it has highlighted the predominance of the "small trader mentality" of



The Shah of Iran: In the six weeks since he announced that the spiralling increase in the cost of living had to be reduced some 8,000 people have been arrested in the Government's campaign against profiteering.

quick short term profit—something which the authorities are also trying to change.)

The business community too is going through its own period of reassessment. It is having to digest the unpleasant fact that credits are harder to find, and more importantly, the implications of the decision to go ahead with the scheme to make manufacturing companies place 49 per cent of the disposal of their shares at the disposal of large. Some investment plans have been shelved in fright and the more nervous the public has been to send capital abroad. But such nervousness would seem exaggerated since the high returns on capital in the past have given them a very comfortable cushion to sit on, and now merely some of the limited port capacity.

## MEN AND MATTERS

### Trefgarne's Nigerian stake

Buying a 20 per cent. holding in an African utility would appear to be a brave move. Trevor Trefgarne, however, thinks otherwise. While admitting that he had bought "quite a lot" of the Nigerian Electric Supply Corporation's shares prior to the coup, he none the less feels that the situation in the country is "relatively stable." Despite its rather grand title, the Corporation supplies only a minor part of the country's total power supplies, in particular to a small town in northern Nigeria and in several tin mines. It has an unremarkable profit record, hovering between some £125,000 and £200,000 for several years.

With a background of the City (at the Ionian Bank), a spell at Cranfield School of Management, and then at Standard Industrial Trust, Trefgarne then invested around £50,000 in Cape Town and District Gas Light and Coke Company, together with Terry Maher. Subsequently, Maher's private company, Pentos was reversed into Cape Town giving it a number of industrial interests. Trefgarne, deciding that Pentos (as Cape Town was subsequently re-named) had become an established industrial company, felt the need to return to his first love of investment, so resigned, sold his shares and collected about £175,000.

"I don't really like high gearing," says 31-year-old Trefgarne. Accordingly, the original investment and the benefits of sale were all his, which is perhaps why he is now resident, doubtless as a tax exile, in France. Clearly he is looking for a seat on the Corporation's Board, but

though he sees the possibilities of expanding the company abroad he is not ready to push hard at the moment. "The Board are very nice people," he declares, "and I wouldn't want to say anything premature."



### Sing to the left

"Nationalise the Bauxite, Oh Yes." Not an easy title on the tongue, but a popular tune at the moment in Georgetown, Guyana, where this week Commonwealth Finance Ministers are discussing possible reforms of the world economic order.

The bauxite song is symptomatic of the way local people and the host government see the future. The capital's streets are bedecked with red banners proclaiming the Socialist revolution, and everyone, even visiting British correspondents, is addressed as comrade.

However, these manifestations of the radical way of life are

tempered by some nostalgic reminders of the past. For instance, delegates "wish you were here" postcards go into bright red pillar boxes bearing Queen Victoria's initials. In nearby Trinidad, where many delegates broke the journey to Guyana, there were even older signs of empire. The big iron gates of the grim prison where Michael X was hanged a couple of months ago still bear the arms of King George VI, with the inscription "Pro Rege et pro Lega."

### An index-linked poser

It was another problem of "re-entry," said a Department of Employment spokesman thoughtfully. Strange how galactic phraseology is being related to something so earthbound as pay restraint: re-entry is due in August next year when, on present plans, the current round of official counter-inflation will be up. Then it will be time to consider the complexities of what a year of nothing-over-£8 a week extra, and absolutely nothing on salaries above £8,500, will have done to index-linked service agreements.

The Institute of Directors was busy yesterday on what such things entailed, as "they've only sprung up recently." The Institute provides members who ask with a set of recommendations of what to ask when offered a contract, but index-linking has not figured so far. "Perhaps we ought to think about it."

An interesting example of the new genre came up with Ernest Scragg, the textile group bid for by Stone-Platt Industries. Scragg has four directors and they all have service agreements expiring in March 1980. Two of them, chairman Timothy Dufort and his deputy Geoffrey Buck-

low, received an annual salary of £18,748 in 1974; the cost of living adjustment on top of that was £3,337. Frank Walters and Walter Parker had salaries of £12,000 plus cost of living adjustments of £2,355.

Hill Samuel, which is acting in the takeover for Stone-Platt, thought when it came to acquiring a company "one's obliged to stick with what one's got" as far as service contracts are concerned, though there has been a re-negotiation of the Scragg directors' commissions. The Scragg men are to waive their future entitlements (1 per cent. for Dufort and Bucklow and one-tenth per cent. for Walters and Parker on pre-tax profits after deducting £100,000) in return for an adjustment to annual fixed salaries. This will relate to average amounts of commission received in the five previous years.

The intriguing point is the status of index-linked contracts under the current policy. Will the additional sums accrue and be paid one day? Or should there be total waivers?

The Government already faces a similar difficulty with the Queen and the Civil List. Index-linking the List could add another £200,000 to the £2.4m. received for salaries and maintenance costs for the Royal Household. By relating List increases to overall price rises, the Government hoped to take the issue "out of politics." Seemed like an obvious way out at the time.

### Trained

Extract from a taxpayer's letter: "Please send the repayment to me c/o my office and not to my home address as my dog eats all letters marked OHMS."

Observer

## Business with Australia or New Zealand?

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One of the quietest Bank Holiday week-ends on record suggests a change in Britain's leisure habits. Arthur Sandles reports

# A leisurely look into the future

IT WAS not so long ago that "leisure" was the most attractive word in the investor's glossary. After all, here was a world in which time and money was in growing abundance, and these resources had to be spent in some way. Leisure was the answer. For a variety of reasons the balloon has been punctured during the past two or three years, with the result that the very mention of the word leisure is now likely to produce abuse from bankers and business alike. You are on a very sticky wicket in Britain today if you try to raise money for a film, a new "theme park," a television set production line or a restaurant.

In retrospect the reaction against leisure is due to a misunderstanding of its elements. In the first instance, the supposed failure of the leisure market, which is arguably Britain's biggest home-grown industry, may be as much due to blanket optimism in the mid-sixties as to economic misfortune in the mid-seventies. The average Briton still spends nearly half his waking time (excluding eating) in some form of leisure activity—even if it is only watching television—and something in the region of 20 per cent. of family income goes on identifiable leisure.

## Definition

"Identifiable" means giving leisure its most restrictive definition. In fact, leisure spending is extremely difficult to define since there is a problem in drawing a line between essential spending and discretionary spending. At what point, for example, does the money spent on a dinner at home cease to be essential and start to be

leisure? At the barest vertex, or the Burgundy, perhaps? When is the house in which we live part of our leisure, and when necessity?

As companies involved in the leisure business today pick themselves up, dust themselves down, and think about starting all over again, a much more sophisticated look is being taken at consumer needs, and consumer ability to pay. There are four basic elements in the consumer-leisure decision: money, time, opportunity and inclination. In the sixties the balance swung heavily in terms of money and private enterprise was quick to provide the opportunity and encourage the inclination. Two things have happened since then. The amount of money available in the social classes that had the inclination for certain types of leisure activity has fallen. But at the same time there is strong evidence to suggest that the past few years also saw a saturation of traditional leisure supply.

It has been a consistent plank of the pure leisure protagonists that as more time was available, so the nation would have to supply more open spaces, bigger roads, more camping grounds, more golf courses, more squash courts and similar facilities. It now appears, however, that there may be a level of free time beyond which the consumer will not go willingly. It may be a heavily Victorian argument, but it would seem that if people have a surfeit of leisure, they in fact give themselves work as a counter balance. This, in full employment, can actually mean getting a second job, but in less halcyon days it produces a rash of gardening, do-it-yourself, walking, building and local good works. The pressure that was once predicted for swimming pools is in fact revealing itself in allotments.



Drinking, Britain's biggest relaxation, may see its share of a bigger market drop from 40 per cent. to 37 per cent. by 1984; reading's proportionate drop could be much larger, from 37 per cent. of the total to 34 per cent.; holidaymaking should rise from 11 per cent. to 16 per cent.; and do-it-yourself and gardening from 9 per cent. to 11 per cent.

Source: Leisure Consultants.

U.K. economic revival. Two in the value of spending on leisure in 1974 and we expect there to be a rather larger fall, of 3 per cent., in 1975. The overall view is that there should be, however, a significant rise in spending in real terms by U.K. residents this year on such home-spun activities as do-it-yourself and television rental.

**Morsels**  
Where then does that leave leisure for the late seventies and early eighties? This is the question which is very much testing the minds of such old stagers as EMI, Trust Houses Forte, and Rank as well as the one or two hungry new boys like Ladbroke, eager for some juicy morsels which will stand them in good stead when the tide turns. Of course, the eventual verdict after these various deliberations depends very much on what date is put on any eventual

ward trend in durable purchases is not expected to be maintained for a third year, and we see quite a marked pick-up in the television and audio market in the course of 1976. However, there is little in the report to suggest other than that both this year and next leisure spending may once more slip back to its old position of taking second place to food in the British spending priority lists.

## Catering

The biggest single section of Britain's £10.4bn. leisure market is, of course, drink, an important part of relaxation for most of us (90 per cent. of people drink from time to time, and 75 per cent. of 18-24 year olds visit pubs regularly). This summer may have given the brewers an unexpected boost to their revenues in a year when times are bad, but even in the long-term, whether the summers be wet or dry, prospects appear reasonable. That they will be more than that appears unlikely, since the British drinking public is "saturated." There are opportunities for expanding actual consumption, particularly among women, but the main opportunity for growth lies in getting the British public to drink more expensive wines and spirits rather than cheaper beers.

The growth in spending in the early eighties which is likely to produce this trading up may also assist the presently troubled catering trades. There is, at the moment, a considerable pent-up demand for eating out, which is still a major event in most families. Not that this is terribly encouraging for an industry which at present has three times the average national bankruptcy rate, and which has

seen much of its business lured away by zero VAT-rated take-away food shops. The only hope in the short-term would seem to be foreign travellers who, encouraged by their countries' economic revivals ahead of our own, may come in greater numbers over the next 18 months than they have in the past.

It is clear that some sections of the leisure industry will be better equipped than others to handle this "jam tomorrow" situation. The travel business, for example, should have passed through its period of trial of the last two years and ought to be able to survive the next two without serious problems. The key word here is "ought." In the launch of its summer '76 programmes, Thomson this week made it clear that it was a little alarmed at the prospect of competitors thinking that the mini-boom of 1975 would become the big boom of 1976 and put on far too much capacity. If this does happen then there would be almost certainly a rash of collapses like those in 1974—although this time the various insurance companies would at least protect the holidaymakers' money.

**Chilly**  
It would seem from all this that the August Bank holiday rush to stay at home this week was simply a taste for a fairly chilly winter for some areas of the leisure business. The fact that millions of Britons preferred to stay at home underlined the fact that the boom which some leisure activities have seen this summer may have been a swan song for a little while at least.

However, a revived pound and an economy swinging to growth once more should set the industry back on its feet. The industry has the financial muscle to wait that long. Did I hear someone raise his glass and drink to the summer of '78?

## Letters to the Editor

### Competition rules

From Mr. E. Dodson.

Sir,—Although many businessmen and their advisers were already becoming aware of the confusion and uncertainty in the rules of competition as interpreted by the European Court, Dr. Hermann's article (August 19) serves a useful purpose in giving the problem a wider publicity. In the present state of this branch of the law it is virtually impossible to advise with any degree of certainty on how agreements which, until recently, would have been considered perfectly ordinary and unaffected by EEC law, are to be interpreted in the light of recent decisions. This uncertainty is already being seized upon by those who wish to overturn or resist their obligations under commercial agreements as may be seen in the tendency to plead breaches of the Treaty of Rome in proceedings before English Courts.

Dr. Hermann suggests several ways in which "the present impossible situation could be resolved." I suggest two further possibilities. While the European Court is said to be "custodian of the Treaty," it is not, I think, bound by the rules of precedent as English lawyers understand these. Thus, it is open to it to take another "U-turn" if it can be persuaded to realise the probably unforeseen consequences which have flowed from the de Haecht case in 1973. The English Courts then might be more ready to follow the principle, better understood, I believe, in Continental legal systems, namely that offending clauses in an agreement are readily severable from the valid ones, which, in many cases, would leave the agreement still substantially effective.

F. H. Dodson,  
Dennis House,  
Nardec Street,  
Manchester.

### Comparison of company data

From the Director,

Centre for Interfirm Comparison.  
Sir,—I read with great interest Anthony Harris's (August 20) referring initially to British Leyland, in the course of which he sensibly reviews some problems raised by the comparative assessment of company performance. At the end of his piece he implies that inter-company comparisons are highly dangerous—because they are fundamentally vague and muddled.

If he is talking about comparisons based on published accounts, which typically provide only superficial and non-comparable information, I tend to agree. But when interfirm comparisons are deliberately organised so that they take account of, and overcome, the problems to which Mr. Harris refers, the situation is very different and the results are of practical value.

Such comparisons involve the pooling of data by companies (or parts thereof) on a carefully defined, structured basis: the employment of proper techniques for measuring comparably vital items such as sales, value added, profit, costs, depreciation, capital values; and—equally important—taking into account the background factors affecting company performance ratios. In fact, more and more of our own work (already covering more than 60 industries in the U.K. and

Europe) is devoted to going into the facts behind the ratios.

It would be a pity if Mr. Harris's attack on stupid comparisons were to put managers off the idea of testing out their comparative performance by valid methods. In the process of this they (a) have to prepare proper data, (b) have to face up to the real facts about their performance, and (c) can take action on what really needs to be done—rather than following the conventional wisdom.

A final point on "value added." It is a useful indication of enterprise output, but it certainly is not a miracle-measure. There are plenty of difficulties in comparable measurement, and frankly, value added comparisons (for example, per worker, per £ of wage cost, per £ of capital) can be just as dubious as any other unless the comparisons take into account differences in such matters as type of products made, degree to which bought-out parts are used, etc. If properly defined and supplemented, V.A. is a useful subsidiary ratio but not a prime test of success. It is quite possible for a company with a high V.A. ratio to be unprofitable. Try justifying that to the shareholders.

L. Taylor Harrington,  
25, Bloomsbury Square, W.C.1.

### Wishing the P.O. well

From Mrs. M. Rosenberg.

Sir,—How everyone in the U.K. would wish that the Post Office would regain its reputation for reliability and good service and simultaneously ensure that this national institution would have a balanced budget. Apart from the idealism involved, could Sir William Ryland not combine his search for economies with efforts to improve the postman's lot?

I am sure that most of us would not fight new regulations that would provide individual letter-boxes for tenants of multi-storey blocks in their entrance halls; letter boxes at the gates of individual family houses; and also postal restrooms or P.O.B. facilities, as they are available, as a matter of course, all over the Continent. Such amenities would save the postman tiresome ways and stairs, carrying his often heavy postbags and also preserve him from dog barks and worse bites. The "savings" would appear to be a permanent one. A further source of income would be to ensure that all employees of the nationalised industries should receive their wages/salaries by transfer to post giro accounts. In general, I look after efficiency and economies will look after themselves.

M. Rosenberg,  
17, New Tree Court,  
Bridge Lane, N.W.11.

### Unemployment and overtime

From Mrs. A. Barry.

Sir,—In the mountains of paper—white, green, even pink—available for the study of inflation, its causes, possible remedies, probable fates unless I have not been able to find any discussion of overtime. At the risk of appearing industrially naïve, might a "mere woman" ask why... (1) overtime appears to be a permanent ingredient in a working week. Is it necessary or is it due to poor job planning and ineffective progress-chasing? (2) in a time of rising unemployment there has been no ban on overtime imposed. (3) management are to be penalised for agreeing to pay over the £6 upper limit but

not, apparently, for allowing increased overtime working.

Has there ever been an authoritative study on overtime as a hidden cost to the consumer? Given a working week of x hours what is the unit cost of the product? Given a working week of y hours plus y hours on overtime what is the unit cost of the product? More or less?

I'm not grudging even the smallest of axes. I'm just interested and curious.  
A. Barry,  
81, Tiverton Court,  
Gray's Inn Road, W.C.1.

### Ownership of art

From Mr. T. Crombie.

Sir,—Your correspondent Mr. Pete Reeve (August 23) misrepresents the essence of the argument advanced by Mr. Sutton in his timely article of August 19. Mr. Sutton does not think that reason why public collections in this country would not benefit from the dispersal of works of art following their inclusion within the scope of the wealth tax, was that those institutions did not command the funds required to acquire them in competition with foreign buyers. To this I would add that (with the sole exception of the National Gallery) special facilities are notoriously lacking. Further, no great familiarity with the world of museums is required to appreciate the prodigious debts they have owed in the past to private generosity. Mr. Sutton justifiably took the knowledge of this for granted when he wrote that "the private ownership of works of art brings many benefits to the public in this country which the Minister's policy is now rashly putting at risk in the future."

In addition Mr. Reeve apparently cherishes the widespread, though fallacious, notion that individually owned works of art are somehow "only available to the few." But very many thousands of such works are already publicly accessible, and there has been a long and honourable tradition in this country, headed by the Royal Family, of willingness to lend to exhibitions. In such circumstances what the Minister's policy would do is to widen dissemination of works of art abroad (and not within the nation as Mr. Reeve claims). Mr. Sutton was stressing that if we accept the specious arguments of the Minister and the small group of critics whose views Mr. Jenkins so strongly recommends, we are likely to expose ourselves in a new version of "Talleyrand's" verdict: barbarism. And this time not merely by an act of omission (failing to buy a world-famous collection) but deliberately, by commission, fuelled by collectivist envy.

Finally, may I add that I am glad to note that Mr. Reeve has at least the grace to acknowledge the monstrosity of any claim by a tax exile to presume to suggest a "tax policy affecting those of us who, because of patriotism or other ties, still wish to live and work in our native country."  
Theodore Crombie,  
133, Old Church Street, S.W.2.

### Cost of art valuation

From Mr. R. Muirhead.

Sir,—Dennis Sutton is to be complimented on his lucid and forceful condemnation (August 19) of proposed legislation connected with the art treasures of this country in private hands

and their ultimate fate, that is, the wealth tax and its potential implications.

The penny-pinching attitude of HM Government—and in particular, that of the Minister for the Arts—is to be deplored—and it seems unlikely that any worthwhile private collection will ever be built up in the future, despite the unarguable fact that so many of those in the past have been bequeathed in the nation, forming an essential part of our national heritage. Mr. Sutton does not, however, refer to the ludicrous and result of proposed legislation. Has the cost of expert valuation of the vast number of works of art referred to by the Act been ever considered, and is the Treasury likely to use the services of private valuers when a further proliferation of Civil Servants to deal with each work is presumably a Ministerial decision, without reference to Parliament? Indeed how many new Civil Service posts have been created since VAT was introduced and at what annual cost to the country? Roger Muirhead,  
266a, Fulham Road, S.W.3.

### Safety at work

From Mr. D. Gregory.

Sir,—Mr. Duke Evans (August 19), on behalf of the Woollen and Worsted Industry Trade's Confederation, rejects "out of hand" the assertion that "industry and leading personnel in industry put profit before the safety of the work force." It goes on to say that the wool textile industry has "as good a record over many years as any other industry of working constructively with the factory inspectorate in working out the practical aspects of positive safety measures."

We ought to look at the accident record of the woollen and worsted industry.

ANNUAL RATE OF ACCIDENT INCIDENCE PER 1,000 EMPLOYEES

	Woollen and worsted	Textiles
1973	33.2	29.6
1972	32.6	27.3
1971	27.5	25.4
1970	22.9	28.8
1969	27.3	26.3
1968	26.7	25.8
1967	24.4	23.9
1966	23.9	23.5
1965	23.1	23.7

Source: H.M. Factory Inspectorate.  
Note:—Figures for 1974 not yet available.  
Readers will note that in both cases the accident incidence has increased each year since 1965. Even more important the rate of increase for the woollen and worsted industry has been substantially faster than that for textiles as a whole.  
Denis Gregory,  
Research Officer,  
Trade Union Research Unit,  
Ruskin College, Oxford.

### Women's Year

From Mr. B. Charlesworth.

Sir,—International Women's Year seems to have had the incidental effect of drawing attention to some injustices suffered by men. Thus one learns that, although women live on average about seven years longer than men, in some countries they qualify for the old age pension earlier in life. In the United Kingdom they may draw it at 60 but men must wait until 65. As they live longer, women form a majority electorate in most countries and they reportedly own more property

## To-day's Events

GENERAL  
Delivery begins in every household in Britain of Government's explanatory pamphlet on its anti-inflation campaign.  
Commonwealth Finance Ministers meeting continues, Georgetown, Guyana.  
Upper Clyde Shipbuilders creditors' meeting, Glasgow.  
EXHIBITIONS  
London—the City and its Port, an exhibition devoted to commerce and environment of the River Thames and City, depleted in oil, Guildhall Art Gallery, E.C.2.  
Handicrafts and Do-it-Yourself Exhibition, Olympia, Brighton International Exhibition and Trade Fair, Metropole Centre.  
COMPANY RESULTS  
Associated Dairies (full year), Pearl Assurance (half-year), South Eastern (half-year).  
COMPANY MEETINGS  
Butterfield-Harvey, Connaught Rooms, W.C.2.  
Downing (G.I.), Stoke-on-Trent, 12.15.  
Eucalyptus Pulp Mills, Charing Cross Hotel, W.C.2, 12.30.  
Kesser Ullmann, 23, Milk Street, E.C.2.  
Miller Rayner and Haydon, Oldridge Road, S.W.12.

Show Carpets, Osetti, near Wakefield, 2.30.  
OPERA  
English National Opera production of Carmen, Coliseum Theatre, London, 7 p.m.  
BALLET  
London Festival Ballet dance Noire el Blanc, Scheherazade, and Galle Parvienne, Royal Festival Hall, London, 7.30 p.m.  
SPORT  
Golf: British Women's stroke play championship, Northumberland.  
Swimming: ASA championships, Coventry.  
Rowing: World championships, Nottingham.

## How Standard and Chartered help you with your business in Europe

If you have business in Europe, our network of branches and offices in Paris, Hamburg, Frankfurt, Copenhagen, Rotterdam, Amsterdam, Milan and Madrid can offer you a full and comprehensive service. Each one is ready to help you with a professionalism and depth of local knowledge that could be crucial to your business. We have a unique network of 1500 branches and Group offices in 60 countries throughout Europe, Africa, Asia, the Middle and Far East, Australia and the Americas. So, for instance, we can help your business by exceptional speed in day-to-day transactions—saving you time and money, because you have the same Group working for you here and overseas. And there are many other ways in which Standard and Chartered can help you. Give E.G.H. Bower, Business Development Manager, a call in London on 01-625 7500, Extension 2515. Outside London ring our Manager at the branches listed below.

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# Index reacts 9 on lack of support

## FOREIGN EXCHANGE

### \$ eases back

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 26.

A GENERAL reaction set in on Wall Street today, after initial firmness failed to attract follow-through support.

The Dow Jones Industrial Average came back 2.23 to 803.11 and the NYSE All Common Index gave way 5 cents to \$44.71, while losses outlasted gains by well over a two-to-one majority. Trading remained slow at 11.53m shares, against 11.25m yesterday. Brokers regard the low turnover as typical of a pre-Labor Day holiday (Monday) period when there is little important news.

In the day's economic news, the U.S. had a big trade surplus in July, but it was well below the record level of June.

The news background also indicated consumers were not likely to get immediate relief from the inflationary spiral in the Food Sector of the economy. The U.S. Department of Agriculture forecast sharply higher retail food prices in the current quarter.

Worry about the impact of U.S. oil decontrol on inflation also was regarded as an unhelpful market factor. Decontrol of domestic oil prices expires next Sunday. White House Press Secretary, Ron Ziegler, reiterated that President Ford will veto a Bill already passed by Congress that would extend the present oil price controls for six months beyond August 31.

In addition, the Organisation of Petroleum Exporting Countries is scheduled to meet next month to consider the possibility of raising world oil prices.

Hewlett-Packard fell \$4 to \$301, Aluminum Company of America \$3 to \$447, Superior Oil \$83 to \$158, Baxter Laboratories \$21 to \$251, Phillips Petroleum \$71 to \$441, McDonald's \$11 to \$441, and Dow Chemical \$12 to \$86.

IBM were down \$31 to \$173, Digital Equipment \$41 to \$1061, Xerox \$11 to \$71, Polaroid \$11 to \$231, and Procter and Gamble \$11 to \$83.

Motors and Steels were narrowly mixed.

The American SE Market Value Index moved down 0.8 to 88.99, with declines outnumbering advances by 350 to 183.

Synthetic \$4 to \$294 on 68,100 shares.

Basin Petroleum were up \$1 to \$71 but Nolet declined \$4 to \$11.

OTHER MARKETS

Canada stocks

Canadian Stock Market generally eased in light trading yesterday.

The Industrial Share Index lost 0.07 to 182.25, Golds 3.10 to 351.83, Base Metals 0.42 to 77.1, Wheat 0.15 to 184.70 and Papers 0.01 to 110.07. But Banks firmed 0.06

to 270.55 and Utilities hardened 0.05 to 130.07.

Prices were lowered \$1 to \$171, Royal Trust "A" \$1 to \$214 and Pacific Petroleum \$4 to \$221.

PARIS—Stocks firmed in anticipation of the Government's measures to boost the economy, due to be announced next week.

Banks, Motors, Constructions, Rubbers and Electricals gained ground, while Foods, Stores and Chemicals were steady. Kodak and Schlumberger each eased in U.S. stocks, but Germans eased, while Golds were mixed. Dutch issues improved.

AMSTERDAM—Narrowly mixed. In heavy trading Royal Dutch

gained Fls.50 to 97, but AKZO eased Fls.0.50, and Unilever shed Fls.0.40.

Among the Banking sector, Algemeene Bank Nederland fell Fls.3 to 322 on heavy offerings arising from the take-over conditions for Mees en Hope Group, which formed Fls.0.50 to 189.30.

Insurance gained slightly, but in Transportation losses in some cases were substantial. Van Oord was down Fls.1.30, KNSM Shipping Union Fls.2.30, and Group Fls.1 and Holland America Line Holding Fls.1.50.

Dutch Industrials were narrowly mixed.

Bonds fluctuated Fls.0.10 either way.

BRUSSELS—Narrowly mixed in quiet trading.

Comstar, Asturienne and YN were among leading local gainers while Meuzanne, Codepa, Solvay, Ville Montagne and Cockerill each eased.

U.K. and U.S. issues firmed, but Germans eased, while other Foreign stocks showed little change. Gold Mines were depressed.

GERMANY—Generally lower, with sentiment unsettled by discussions surrounding the planned Government Economic Programme expected to be approved this week. The Cabinet, The Economics Ministry told the "Concerted Action" Group representing the Government, business

and unions that there are not any signs of a quick upturn in Germany's economy.

In Machinery Miners GHH lost DM2.50 to DM17.50 and Demag DM5 to DM15.

Mannesmann gained DM1 to DM26.50 after reporting a substantial first half sales increase.

Other Steels were little changed. On the Fixed-Interest market, Deutsche Bundesbank bought DM14m worth of Public Sector stock to maintain prices unchanged. Other Bonds were mixed.

SWITZERLAND—Markets were quietly mixed in Settlement Day trading.

Banks were very steady, while Financials and Insurances posted mainly small losses.

Rueckversicherung Bearer were firm.

In Industrials, Hero and Alusuisse Bearer each lost ground. Sandoz Bearer and Registered each firmed slightly.

State Bonds firmed.

U.S. stocks were generally better, Dutch Industrials moved narrowly, while Commodities were barely steady.

CORPORATE—Generally slightly higher in fair dealing. Banks were little changed, while Commodities, Communications and Industrials were firmer.

U.S.—Bankings were steadier, while Insurance, Industrials and Shipings were quiet.

VIENNA—Slightly easier in very restricted trading, although Constructions met some demand.

MILAN—Selectively higher in fair dealing.

HONG KONG—Slightly higher in light trading.

Hong Kong Bank were up 30 cents to HK\$4.90, Hong Kong Land 10 cents to HK\$3.00, Wharfedale 10 cents to 3.475, Jardine 40 cents to 21.50, and Hong Kong Telephone 30 cents to 16.30.

TOKYO—Market eased sharply on news of financial difficulties at Kohjin, which trading was suspended.

Market sources said the Kohjin problems highlighted the poor economic situation in the country and prompted heavy stop-loss selling.

Mitsubishi Corp. dropped ¥8 to ¥284, close business ties with Kohjin.

Real Estate also met selling as Kohjin's troubles derived from its real estate business.

Chemicals, Shipings, Foods, Machinerys and Constructions also declined.

JOHANNESBURG—Gold shares

Indonesian and base metals (all base values 1960) (a) Belgian S.S. (b) Paris Bourse (c) Amsterdam (d) London (e) New York (f) Singapore (g) Hong Kong (h) Tokyo (i) Manila (j) Cebu (k) Batavia (l) Medan (m) Palembang (n) Surabaya (o) Semarang (p) Yogyakarta (q) Bandung (r) Jakarta (s) Pontianak (t) Banjarmasin (u) Makassar (v) Balikpapan (w) Samarinda (x) Banjarmasin (y) Pontianak (z) Banjarmasin

Investment premium based on \$2.00 per \$1—98.1% (97.1%)

STANDARD AND POORS U.S. STOCK INDICES

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## FARMING AND RAW MATERIALS

## More for S. African wool men

By Our Commodities Staff

A RISE in the guaranteed price to be paid to South African wool growers in the forthcoming season was announced in Pretoria by Mr. Gordon Joubert, the South African Wool Board chairman.

Mr. Joubert claimed that prospects for the 1975/76 season were far better than last year's. All indications were that the supply pipelines in the textile industry were empty and any revival in activity that may occur would have an early effect on the demand for a raw material such as wool.

The advance guaranteed price for the 1975/76 season, which starts with the Port Elizabeth sale on Thursday, has been increased from 150 to 160 cents a kilo. It is expected that the average of the advance payment, then an additional payment, will be made.

At the Christchurch wool sale in New Zealand, meanwhile, values were barely steady compared with rates last week, with prices up to 5 per cent. cheaper. The N.Z. Wool Marketing Corporation put in bids for 41 per cent. of the offering and 17 per cent. sold or passed to it.

In Brisbane, values were unchanged to firm, with Japanese buyers dominating the sale. The Australian Wool Corporation took 20 per cent. of the offering, however, and 3.5 per cent. was passed in.

## Japan to cut reliance on food imports

TOKYO, August 26. AN OVERALL food policy announced by Japan's Agriculture Ministry yesterday aimed at raising self-sufficiency and building up reserves of farm products.

The policy calls for tax and financing preferences to be given to Japanese edible oil and feed stuff makers so that they can arrange long-term import contracts for soyabean and feed grains.

It also provides for building up rice reserves to 2m. tons by 1978 and increasing acreages and crops of wheat, soyabean and feed grains.

## U.S. ALUMINIUM OUTPUT FALLS

NEW YORK, August 26. U.S. production of primary aluminium in July was 310,101 short tons, against 301,995 in June and 416,343 tons in July 1974, the Aluminium Association said.

## Copper market surprised by large stocks rise

By JOHN EDWARDS, COMMODITIES EDITOR

A MUCH LARGER than expected rise in warehouse stocks of copper on the London Metal Exchange surprised the market yesterday.

The rise of 14,500 tonnes in warehouse stocks, raising the total to 280,000 tonnes, was the second biggest weekly increase ever. It also means that warehouse stocks have risen for 24 weeks in succession, since early March. Total holdings have been 184,625 tonnes, having come down from over 170,000 tonnes.

The spectacular build up in warehouse stocks has to a large extent been ignored in recent weeks, prices rising under the influence of other factors including the depreciation in the value of sterling.

But the stocks rise does emphasise that consumer demand for copper remains very slack, despite hopes of a recovery in industrial activity. Further, there appears to be a panic about the possibility of a cutback in supplies from Zambia, one of the world's biggest exporters of copper.

The breakdown of the Zambian talks yesterday suggests that there is going to be no quick solution to Zambia's problems, which could have been provided by resuming copper exports via Rhodesia. However, the market seems to have largely discounted the Zambian situation.

The further unexpectedly big rise in warehouse stocks accentuates the fact that there is a large world surplus of copper.

## World sugar crop fears grow

By RICHARD MOONEY

CONCERN OVER sugar production prospects in Europe, the Soviet Union and Brazil sparked a sharp rise on the London terminal market yesterday.

The December position ended the day at 191.25 a tonne—52.25 cents above the previous day's closing—after climbing to 198 at one stage. The London daily price for raws was fixed at \$200 a ton, unchanged.

In its latest crop report French trader Sucra of Daxreux says EEC raw sugar production will scarcely reach 10m. tonnes this year, against the 10.7m. tonne originally forecast, despite a 14 per cent. increase in the planted area.

which at the moment does not appear to be diminishing. It can be argued that a large proportion of the warehouse stocks are in "strong" hands including long-term investment buyers who will not release their purchases until a much higher price level is reached. However, much of the recent copper price rise has been in speculative buying and there is some nervousness that if an attractive, profitable, alternative investment opportunity occurs, copper speculators may lose patience and be tempted to sell out.

Although there seems little doubt that copper prices will rise substantially once consumer demand returns, the rise in warehouse stocks gives the impression that it may take longer than anticipated for the surplus of supplies to disappear. The stocks in LME warehouses also rose more than expected, by a total of 28,000 tonnes. The market held firm on heavy buying from one quarter in particular. The rumoured rise in the official European producer price from the present level of \$200 a tonne to \$222.5 a tonne, is not expected to take place until the end of September.

Lead stocks rose by 735, to 65,525 tonnes, while LME silver holdings were unchanged at 15,530,000 ounces.

This came hard on the heels of a U.S. Agriculture Department dispatch from Moscow predicting that the 1975 Soviet sugar beet crop would yield between 80m. and 94m. tonnes—significantly below a USDA forecast issued a couple of weeks ago and well short of the USSR's 94m. tonne production target. Soviet sugar beet output in 1974 totalled 76.39m. tonnes.

More encouraging news was reported from Hungary where a record crop is expected this year, and Italy where abundant rains and average temperatures are reported to have improved beet growth. But the Italian Beet Growers' Association warned that heavy rain, which has boosted

beet growth, will probably have dampened the sugar content, while growing centres have hampered or even halted beet lifting.

Results of last week's West German beet tests show that the average weight per beet was 550 grams, against 566 grams at this stage last year. Sugar content was slightly higher, however, at 13.7 per cent.

A private estimate issued earlier this month put the 1975 beet crop at 17.5m. tonnes (16.7m. last year), against the Agriculture Ministry's prediction of 19.3m. to 19.7m. Earlier tests in other West European countries had given equally disappointing results.

## Revival in land values claimed

By Our Commodities Staff

SIGNS of a revival in agricultural land values are noted in the latest issue of The Farmland Market magazine.

The average of farmland prices in the first half of this year showed a 4.5 per cent. fall from the level of the July 1974 average, but a 17.4 per cent. rise on the 1973 average. The average price for 1974 was £555 an acre (vs. £582). But they are reported to have advanced significantly during the early summer; the average for May and June being assessed at £665 an acre, 20 per cent. above the six-month average.

The magazine views this development as an indication that the market has bottomed out and is set for a recovery, though it admits that the upturn could turn out to be nothing more than a minor blip in a graph which will continue to fall.

It says the institutions are again actively interested in buying land, which makes a great deal of difference to the general tone of confidence.

## Brazil coffee price rise rejected

RIO DE JANEIRO, August 26.

BRAZIL was not planning to raise its internal coffee support price or its base for export loans, said Mr. Camillo Calazans, president of the Brazilian Coffee Institute (IBC), according to the newspaper, O Estado de São Paulo.

Prices fixed after the frost were fair and to increase them would mean injecting massive funds into the economy to the detriment of Brazil's anti-inflationary programme, he claimed.

Mr. Calazans rejected claims by the National Coffee Trade Centre president, Sr. Joao Gomes Moreira, that the export market was almost paralysed and that internal market prices were falling.

Domestic market prices have eased about 20 cruzeiros per bag during the past two weeks in quiet conditions. But there is still room for the price to drop further before reaching internal support price levels.

The IBC has meanwhile raised export contribution quotas following last Friday's adjustment of the cruzeiro exchange rate to the dollar.

The New York Coffee and Sugar Exchange voted in favour of a 10-cent advance in the price of coffee "B" contract.

Among the amendments are provisions to revise quality standards.

## TIMBER MARKET

## Softwood demand in the doldrums

BY A CORRESPONDENT

THE DECLINE in construction work around the world is causing a sharp drop in exports of the main softwood-producing countries, especially those which have close links with the U.K. market.

Swedish producers are forecasting that their overall exports of sawn softwood will fall this year to 5m. cubic metres, which would be the lowest figure since 1966, and far below the record of 9.4m. exported in 1973.

Swedish export sales for the first half of this year amounted to only 2.9m. cubic metres. Prices too have taken a hammering: according to the producers' own index, export prices at the end of the first half of this year had fallen by 39 per cent. from the peak levels ruling at the end of 1973.

For the second quarter of this year, Swedish sawmills announced production cuts amounting to 30 per cent. of last year's output. This was increased to 40 per cent. for the current quarter.

Finland's softwood sales to Britain for the first seven months of this year amounted to 358,000 cubic metres. If this rate is maintained, it will give a total for the year of just over 1m. cubic metres—a fall of about 65 per cent. on last year's total of 1.72m. It would appear that Finland's other West European markets for forest products are also in the doldrums, for the country's total trade deficit for the first half of this year at F.Mk4.43bn. (£330m.) was almost double that of last year.

Sawmill production cut backs are generally in line with those in Sweden.

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## Soviet Union

Eastern European sellers in the U.K. are faring better. The Soviet Union is thought to have sold a little over 1m. cubic metres of softwood for this year, compared with the 1.29m. in 1974. Polish producers have announced production cuts amounting to 30 per cent. of last year's output, compared with an insignificant quantity last year, and the Czechs may send Britain about 100,000 cubic metres.

In the first five months of this year, Canada's softwood sales to the U.K. amounted to 135m. cubic metres, compared with 357.14m. for the same period in 1974. If sales are maintained at the same rate, it looks as if Canada is heading for a 64 per cent. drop in total exports of softwood to Britain this year.

The forest industry there has experienced sharp cut-backs in production and at present British Columbia is suffering a strike by operatives in the industry. Management and unions are considering the result of an inquiry ordered by the provincial Government and undertaken by Mr. Justice Hutchinson as a non-binding measure, but reports from the area are not optimistic about an early resumption of work in the forest and mills.

Meanwhile, the largest international forest industry concern, British Columbia's Macmillan Bloedel, has passed the quarterly dividend on its ordinary stock due next month, but some signs of the recession, moderating in the U.S.—its most important export market.

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## Ford in U.S. grain loading talks

WASHINGTON, August 26.

NEGOTIATIONS with U.S. maritime administration officials over the rate the U.S. will pay and the number of American ships it will employ to carry the 8.9m. tonnes of U.S. grain to be bought last month.

They are understood to have agreed to raise the basic freight rate for U.S. ships by over 60 per cent. above their original offer of about \$2.5 a ton, to almost match a figure of around \$16 a ton sought by the U.S.

The official State Press has given no estimate of damage caused by the hot, dry summer, but production in the traditional bread basket regions of the North Caucasus and Ukraine is estimated to be well below usual levels.

In the U.S. low crops are in better condition than a week ago following rain over most of the state in the past week, according to Iowa State University extension specialists.

Weather deterioration is reported to have stopped on maize, and soyabean have improved in areas that received rain. Areas without rain are still Central Asian Military District are assisting, mainly with the

transport of grain. The Army is previously having to test but the prominent given to the report suggests top level concern that harvesting rates in the east should be kept high.

Soviet agricultural planners, reportedly having been hit by drought-hit harvest in the west of the country, have switched their attention to Kazakhstan and Siberia in the hope that they will turn in good crops in offset low yields elsewhere.

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## Limit falls in Chicago grains

NEW YORK, August 26.

SILVER HEDGED sharply lower on heavy Commission House speculation selling. Copper finished lower on news of the U.S. government's decision to raise the price of silver and on a decline in the commodity's price on the London market.

Chicago grain prices were mixed. Corn futures were up 1/4 cent to 1.12 1/2, while soyabean futures were down 1/4 cent to 1.12 1/2.

Coffee futures were up 1/4 cent to 1.12 1/2, while sugar futures were down 1/4 cent to 1.12 1/2.

Wheat futures were up 1/4 cent to 1.12 1/2, while barley futures were down 1/4 cent to 1.12 1/2.

Rice futures were up 1/4 cent to 1.12 1/2, while cotton futures were down 1/4 cent to 1.12 1/2.

Oil futures were up 1/4 cent to 1.12 1/2, while gold futures were down 1/4 cent to 1.12 1/2.

Platinum futures were up 1/4 cent to 1.12 1/2, while silver futures were down 1/4 cent to 1.12 1/2.

Palladium futures were up 1/4 cent to 1.12 1/2, while rhodium futures were down 1/4 cent to 1.12 1/2.

Iridium futures were up 1/4 cent to 1.12 1/2, while ruthenium futures were down 1/4 cent to 1.12 1/2.

Rhodium futures were up 1/4 cent to 1.12 1/2, while osmium futures were down 1/4 cent to 1.12 1/2.

Ptitanium futures were up 1/4 cent to 1.12 1/2, while hafnium futures were down 1/4 cent to 1.12 1/2.

Tantalum futures were up 1/4 cent to 1.12 1/2, while niobium futures were down 1/4 cent to 1.12 1/2.

Vanadium futures were up 1/4 cent to 1.12 1/2, while chromium futures were down 1/4 cent to 1.12 1/2.

Manganese futures were up 1/4 cent to 1.12 1/2, while cobalt futures were down 1/4 cent to 1.12 1/2.

Nickel futures were up 1/4 cent to 1.12 1/2, while selenium futures were down 1/4 cent to 1.12 1/2.

Barium futures were up 1/4 cent to 1.12 1/2, while zirconium futures were down 1/4 cent to 1.12 1/2.

Strontium futures were up 1/4 cent to 1.12 1/2, while yttrium futures were down 1/4 cent to 1.12 1/2.

Scandium futures were up 1/4 cent to 1.12 1/2, while cerium futures were down 1/4 cent to 1.12 1/2.

Praseodymium futures were up 1/4 cent to 1.12 1/2, while neodymium futures were down 1/4 cent to 1.12 1/2.

## COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

COPPER Ledsched on balance on the London Metal Exchange. Prices rose on a strong recovery in the U.S. market overnight which attracted renewed speculative buying and pushed forward the market. The price of copper rose 1/4 cent to 1.12 1/2.

Aluminium prices were mixed. The price of primary aluminium rose 1/4 cent to 1.12 1/2, while the price of secondary aluminium was down 1/4 cent to 1.12 1/2.

Zinc prices were up 1/4 cent to 1.12 1/2, while lead prices were down 1/4 cent to 1.12 1/2.

Nickel prices were up 1/4 cent to 1.12 1/2, while tin prices were down 1/4 cent to 1.12 1/2.

Platinum prices were up 1/4 cent to 1.12 1/2, while silver prices were down 1/4 cent to 1.12 1/2.

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## COMMODITY MARKET REPORTS AND PRICES

## SILVER

SILVER was fixed at 7.75 an ounce higher for spot delivery in the London market. The price of silver rose 1/4 cent to 1.12 1/2.

Gold prices were up 1/4 cent to 1.12 1/2, while platinum prices were down 1/4 cent to 1.12 1/2.

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## Fresh broad equity advance, but leaders below best

## Index up 3.8 at 319.6, after 323.9—Gilts restrained

**Account Dealing Dates**  
**Option**  
**\*First Declara-** **Last Account**  
**Dealings tions Dealings Day**  
 Aug. 11 Aug. 20 Aug. 21 Sep. 2  
 Aug. 22 Sep. 4 Sep. 5 Sep. 16  
 Aug. 8 Sep. 18 Sep. 19 Sep. 30  
 " " New time " dealings may take place  
 from 9:30 a.m. two business days earlier

Equity markets resumed trading after the Bank holiday with a widespread improvement in prices. Encouraged by the recent good rally on Wall Street, leading industrialists pushed the demand found stock in short-term supply. A late bout of profit-taking, however, saw a fairly substantial reaction from earlier levels and the FT 30-share index, which touched its best of the day at 3 p.m. with 3,850.5, ended at 3,840.5, a net 3.8 higher at 319.6, making a rise of 15.9 over the last three trading days.

The reaction in the equity leaders came too late to avert secondary losses, where gains after quite rare Russian outbursts were by and large FT-actuated industries, while the FT-Actuaries All-Share index gained 2.5 per cent more to 157.98 over the week.

Among the more noteworthy moves, the Concessions and Construction issues were up 1.5 per cent following a report in the Financial Times highlighting the recent success of British construction companies in winning Middle Eastern contracts. The FT-Actuaries All-Share sub-section rose 7.0 per cent to 207.50.

**Gilt quietly firm**  
Overshadowed by the renewed ebullience of equities, British Funds traded quietly with a disposition to improve marginally. Fears about short-term interest rates both at home and in the

U.S. were much less prevalent than this may have encouraged some operators to go longer, for switching out of the very near maturities was noticeable in the shorts. Mediums and longs were virtually untested and only isolated gains of 4 appeared, but Corporations continued firm, reporting a 1967-68 plan. Despite the pessimism over the Rhodesian constitutional talks, Southern Rhodesian bonds hardened fractionally.

Occasional demand in a market lacking any worthwhile selling caused the investment currency premium to edge back up and the dollar to rise a cent or so. The market was the day's best. Yesterday's SE conversion factor was 0.6270 (0.6237).

### Insurances up again

After a little while late afternoon profit-taking, insurances still had another firm day as fresh investment support in a market short of stock helped bring about a second gain. The last day's results on the satisfactory interest rate.

"Royals" improved further to 310p before easing late to close only a net 2 better at 308p. "Princes" were 25p, 25p dearer at 157p. After 158p, and Guardian Royal Exchange added 10p to 186p, after 187p. Eagle Star 10p to 186p, after 187p. The first but Sun Alliance, after touching 410p, ran back to finish unchanged on the day at 402p; the latter's 400p was a new high for the day. In front of to-day's interim figures, Pearl put on 4 in 266p, and gains of 7 and 10 for 267p and 277p, respectively. Alexander Howden, 125p, and Sedgwick Forbes, 232p.

A modest demand in a short market had a high bid rate, as profit-taking to 12 initially before pushing towards the close reduced the improvements to 8. The latter was a very moderate higher, as was 10p, and 10p.

National Westminster, both at the common level of 230p. Midland, on the other hand, were unaltered at 250p, after 256p. Allen Harvey and Ross rose 10 to 320p in firm Discounts, where Gillett Bros. gained 7 to 160p.

Best levels were not always held in Breweries following late profit-taking. However, Bass Charrington closed 3 better at 92p, after 93p, while Scottish and Newcastle improved 2 to 55p, after 56p. Distillers were supported up to 113p.

Month	Steel Yarnage 72-18 1/2 (1000)	EI-Insulation 1/2 inch
May 1975	112	105
June 1975	100	95
July 1975	112	105
August 1975	95	90

before closing 3 dealer on balance at 115p.

Buildings had another good day with fresh gains ranging to 14 in Taylor Woodrow at 273p. R. C. Costin closed 13 higher at 182p, after a dip on reports that the company is set for a major Iranian contract, while L. Fairclough finished 7 better at 160p following the interim report. Wimpey advanced 11 to 115p, Tarmac 7 to 113p and John Laing "A" 8 to 114p. Associated Portland Cement, in shares of Thursday's interim figures, moved up 3 to 150p. Also higher were John Brown 33p, and Newarthol 54p, both 8 to the roof.

After touching 267p, HZ reacted to close 3 better on balance at 264p. Laporte rose 5 to 73p, while Allied Colloids, 88p, and Fluon, 378p, put on 6 apiece.

**Hse. of Fraser erratic**

Standing at 74½ in front of the interim statement, House of Fraser were marked down to 71½ on disappointment with the preliminary before rallying to 73½ following the report on May 2 at 73½ indicating a reasonable improvement.

Other Stores closed with modest rises. Marks and Spencer ended 3 up at 187½, after 111½, while Debenhams, Top and British Empire stores, 7½, put up a nice place. Audioactive were raised 3½ to 34½, while rises of 5 were seen in Allied Retailers, GPO, and Martin's The Newsagent, 106½.

Dixons' Photographic was down 1½, the rights issue yesterday at 37½, up 2, while the new nil-paid shares opened at 10½ premium and closed at 11½ premium following a light trade.

Decca Musical Instruments, which in the late afternoon to close narrowly missed on balance after a fair trade. Helped by Press comment, it fell back again to 189½ from 191½, after rising to 191½ yesterday at 183½. Revlon Parfums closed similarly better at 44½, but GEC were finally 2 down at 124½, following the recent gains.

Thorn Electrical, 173½, after 178½, but a penny softer. In contrast to the upward trend in secondary issues, Suter Electrical reacted 2 down following the recent gains on the resumption of dividends.

SURL drawing strength from the half-year profits upsurge. Campbell and Alexander closed another 1½ higher at 50½, and Walford improved similarly to 107½ awaiting to-morrow's preliminary results. Nuttreid were 1½ lower at 65½, with a fresh rise to 66½.

Hawker took pride of place in Engineering, rising 10 to 283p on the view that they had been overlooked recently, the possibility of further U.S. marine

orders for an improved version of the Barrier Sighter was not held a factor. GKN gained 2 to 7½ at \$17½, after \$19½, but failed to advance. The latter's price fell 6½ to \$85½. Among many good features elsewhere, Zenka spurring 6 to 12½ on Press comment. West gained 4 to 5½ following impressive first-half results and Stone-Field rose 1½ to \$14½. Good profits raised the latter in sympathy with the last-named name. E. Scragg advanced 3 to 13½. Babcock and Wilcox remained active at 106½, up 3. Of smaller-priced stocks, Midland moved 1½ down to 21½. Shipbuilding revived and Sigsbee climbed 1½ to 31½. However, despite continuation of the shipyard strike, moved up 5 to 61½. Hawthorn Leslie picked up 2 to 76½.

Foods were better where they were. As Lytle rose 1½ mainly 2½ up at 208½, after 210½. While J. Sainsbury improved 3 further to 144½ for a two-day rise of 10. Alpine Soft Drinks responded 1½ to 54½. Associated Dairies, ahead of to-morrow's figures, moved up 2½ to 78½, while Northern Foods 5 better at 75½, and Rowatree Macdonald, 4 higher at 142½.

Ladbrokes (entertain figures due tomorrow) improved 1½ to 55½ while Trust Houses Forte were raised 4 to 97½.

Miscellaneous Industrial leaders, on a fresh retail lull, came on profit-taking late in the day to 100½. In short market, however, in a short market, ended only a shade below yesterday's best at 114½, up 7, while the latter's price fell 1½ to 55½. After being helped by Press com-

figures are expected. September  
(1).  
Revived small speculative  
support lifted Thomson to 177p  
before a close of 174p, up 4 on

balance, but there was little else of note in Newspapers. Among Publishers, Marshall's continued to attract £60,000. Remans and Rose went up to a high for the year of 1983. Elsewhere, despite the first-half downturn, W. N. Sharpe improved 2 to 35p and the "A" Presses 3 to 25p. Paper/Printing firms grew their followings and M. Corbridge gained 7 to 165p. Alliance Adlers 3 to 31p and East Lancashire a similar amount to 25p.

After extending last week's good rally, Property leaders were back in the afternoon and finished just modestly better for choice after a good two-way trade. Land Securities were firmer 2½ to 155p, as was the 2nd largest Property firm at 144p, after 57p while MEPC closed unaltered on balance at 50p, after 60p. Despite the heavy loss for the year, the 1st listed house builder moved to 21p before coming back to 18½, down from exorbitant day. There was no further preparation for the 1983-84 season. Hanson "A" pushed ahead 25 to 330p and Property and Reversionary "A" rose to 145p, which raised about 10% for the Stock Exchange. 151p. United Real Property, 190p, and Property Holding and Investment, 163p. Favourable news comment prompted rises of 4 to 25p in Wingate Investments and left Aragon, 71p, and British Estates, 73p, both around 10% higher than last year. The farm subsidiary dealt, ended 3½ higher at 19½, while Bernard Sunley followed the chairman's announcement with an improvement of 5 to 140p.

**BP move ahead**

Earnings Yld. % (full/lt)	18.66	18.97
P/E Ratio (net. w/ div)	7.62	7.52
Dealings marked	4,795	5,175
Equity turnover £m	—	55.68 4

12,837.1  
 M. am. 320.7, 11 am. 323.4  
 3 p.m. 323.4  
 (a) Based on 25 per cent. of  
 Bonds 100 Govt. Secs. 167.26. F.R.  
 Mines 12/2/35. Sec. Activity July-Dec. 1935

## HIGHS AND LOWS

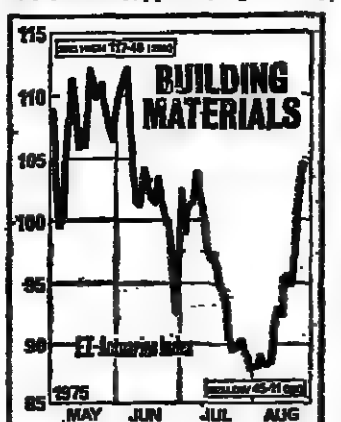
	1976		Since Low
	High	Low	
Govt. Secs.	62.54 (7066)	118.18 (50.6)	123.4 (61236)
Foreign Int.	68.31 (506)	50.63 (506)	152.4 (101147)
Ind. Inv.	155.5 (546)	148.0 (546)	245.5 (19672)
Gold Mines	480.3 (236)	480.3 (201)	442.3 (2277)

bid terms from Owde Meester.  
 which returned from suspension  
 yesterday (mustered at ship deal-  
 ings from African Distilleries and Shores;  
 suspended at 380p, the wine re-  
 turned at 430p and then eased to  
 410p against the bid value of 452p.  
 Trusts and Financials had a  
 good day with Capital shares  
 particularly favoured. Triples im-  
 proved 7 to 122p and 41p. Im-  
 proved 6 to 156p, while City and  
 Commercial firmed 4 to 21p. Else-  
 where, Dalgety put on 6 to 185p  
 and S. Pearson and S. 122p. 41p  
 and 41p. 41p. 41p. 41p. 41p.  
 Shipping closed quietly firm  
 after a reasonable trade. Reardon  
 Smith "A" 7 1/2 122p 41p.  
 Afternoon results are due September

Despite news of continuing  
 labour troubles at the Spanish  
 factory, Courtaulds edged forward  
 a 120p in the early trade but

9.68	19.86	18 75	18.69	24.04
7.25	7.18	7 22	7.25	5.83
4.77	4.707	4.480	4.152	5.631
.261	31.556	40.52	39 59	22.41
879	10 354	10.751	10.900	8.875

379	10.384	10.754	23.4
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## F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS GROUPS & SUB-SECTIONS		Tuesday, August 26, 1975										Friday August 22		Thurs. August 21		Wed. August 20		Tues. August 19		Year ago (approx.)		Highs and Lows Index																			
		Index No.	Day's Change %	Net. Payout Yield % (last 12 mos)	Gross Div. Yield (last 12 mos)	Sec. P/E Ratio (last 12 mos)	Net. P/E Ratio (last 12 mos)	Index No.	Index No.	Index No.	Index No.	Index No.	Index No.	1975		1974		1973		1972																					
														High	Low	High	Low	High	Low	High	Low																				
																						High	Low	High	Low	High	Low														
Figures in parentheses show number of stocks per section.																																									
1	CAPITAL GOODS (179)	118.91	+3.8	18.88	6.99	7.51	7.50	113.03	108.11	106.81	107.95	78.96	111.26	61.76	806.87	18.10	10.12	10.12	10.12	10.12	10.12																				
2	Building Materials (30)	104.70	+4.1	18.22	7.86	8.21	8.51	100.61	96.41	94.76	95.58	76.11	101.26	61.76	806.87	18.10	10.12	10.12	10.12	10.12	10.12																				
3	Contracting, Construction (23)	207.85	+7.0	17.32	4.41	8.99	8.09	198.76	189.91	189.56	189.07	190.86	191.51	94.76	595.23	71.44	10.12	10.12	10.12	10.12	10.12																				
4	Electricals (17)	217.65	+1.7	12.72	5.35	7.08	7.94	214.07	203.63	199.89	201.93	140.10	184.54	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
5	Engineering (Heavy) (13)	134.55	+3.4	18.38	5.07	8.01	8.01	131.30	126.77	124.70	126.85	98.99	126.79	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
6	Engineering (General) (63)	99.85	+2.9	21.82	5.59	6.78	6.77	95.46	94.34	93.09	93.11	86.79	91.59	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
7	Machine and Other Tools (9)	39.46	+1.9	19.76	10.44	9.94	9.94	38.86	37.94	36.15	36.17	38.90	40.98	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
8	Miscellaneous (24)	97.76	+2.9	25.20	8.00	8.94	8.94	94.97	92.96	90.94	90.07	70.99	121.76	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
9	CONSUMER GOODS (DURABLE) (57)	88.06	+2.8	20.81	6.98	7.19	7.10	86.63	83.29	81.19	81.58	83.37	93.15	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
10	Electronics, Radio TV etc. (15)	108.67	+4.3	18.68	5.03	7.95	7.98	101.30	96.17	97.68	98.74	99.96	106.94	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
11	Household Goods (15)	130.89	+2.8	10.48	7.83	7.13	7.15	128.10	126.08	125.55	125.90	99.06	101.90	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
12	Motors and Distributors (27)	44.93	+0.4	24.88	10.39	8.93	8.90	44.78	43.98	43.81	43.49	28.78	50.91	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
13	CONSUMER GOODS (NON-DURABLE) (189)	131.78	+2.8	18.90	6.41	9.50	9.43	127.96	123.96	123.06	123.70	95.84	146.46	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
14	Breweries (18)	159.49	+5.8	10.60	5.97	11.99	11.99	146.97	139.41	138.17	138.16	101.10	143.88	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
15	Wines and Spirits (7)	146.00	+6.6	12.48	6.90	11.34	11.34	126.18	124.82	123.65	126.45	118.76	141.91	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
16	Entertainment, Catering (16)	150.88	+3.0	15.51	7.44	11.48	10.99	146.84	139.94	139.40	139.78	91.94	127.96	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
17	Food Manufacturing (22)	148.14	+1.8	14.44	6.61	8.98	8.98	146.98	136.38	135.30	137.13	88.23	156.97	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
18	Food Retailing (16)	130.59	+2.7	11.60	6.85	12.89	12.89	126.90	123.06	122.03	123.94	79.48	123.97	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
19	Newspapers, Publishing (15)	130.40	+2.8	18.90	7.48	9.99	9.99	127.15	123.73	122.40	123.11	101.90	127.96	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
20	Packaging and Paper (13)	88.58	+2.3	24.96	8.31	8.88	8.88	86.94	84.10	82.40	83.78	85.38	107.15	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
21	Stores (31)	135.54	+3.4	12.58	5.68	12.11	12.11	111.41	107.31	106.96	107.19	78.97	123.94	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
22	Textiles (23)	131.48	+1.1	98.00	8.03	4.64	4.52	128.01	126.18	125.68	126.91	100.65	127.96	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
23	Textiles (3)	183.88	+2.8	18.43	7.32	8.96	8.86	176.87	173.16	172.40	173.46	185.18	189.14	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
24	Toys and Games (6)	43.81	+1.0	61.43	3.00	4.41	4.41	42.80	41.58	40.56	41.86	30.76	44.08	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
OTHER GROUPS (92)																																									
25	Chemicals (24)	105.69	+1.8	30.97	5.53	8.83	8.83	103.06	100.80	100.07	101.80	107.08	100.17	78.14	301.92	71.50	10.12	10.12	10.12	10.12	10.12																				
26	Office Equipment (10)	74.70	+2.3	18.70	6.97	7.41	7.41	73.04	70.98	70.04	71.06	78.01	104.78	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
27	Shipping (13)	820.13	+1.3	20.80	7.46	4.81	4.86	815.56	800.60	800.35	812.89	388.39	401.24	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
28	Miscellaneous (46)	133.76	+3.8	26.16	7.50	7.98	7.98	133.85	128.46	128.43	128.33	95.87	133.85	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
29	INDUSTRIAL GROUP (496)	137.38	+2.7	17.69	6.66	6.00	6.08	134.01	119.98	119.38	120.25	86.01	142.43	69.15	330.17	69.01	10.12	10.12	10.12	10.12	10.12																				
30	OILS (4)	297.84	+1.3	94.76	8.10	4.33	4.04	293.46	286.56	282.45	289.33	159.49	297.24	105.83	431.66	87.25	10.12	10.12	10.12	10.12	10.12																				
31	500 SHARE INDEX	141.44	+2.5	19.08	6.38	7.07	6.98	128.01	123.73	122.40	123.11	92.98	156.14	65.48	297.95	63.39	10.12	10.12	10.12	10.12	10.12																				
32	FINANCIAL GROUP (100)	126.63	+2.9	—	—	8.87	—	122.09	117.34	116.69	116.84	87.84	148.49	65.80	341.41	85.89	10.12	10.12	10.12	10.12	10.12																				
33	Banks (8)	146.82	+1.3	30.37	5.47	7.98	7.88	144.96	136.38	136.53	137.93	106.94	177.11	68.56	389.32	68.40	10.12	10.12	10.12	10.12	10.12																				
34	Discount Houses (9)	146.98	—	—	8.38	—	—	144.96	144.68	143.03	138.39	106.98	163.87	61.39	393.13	61.49	10.12	10.12	10.12	10.12	10.12																				
35	Fire Purchase (8)	95.06	+6.6	36.35	5.53	5.06	4.64	90.97	85.34	86.34	87.30	91.91	127.96	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
36	Insurance (Life) (9)	108.77	+5.8	—	6.28	—	—	108.48	101.98	102.39	102.82	66.98	127.96	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
37	Insurance (Composite) (7)	107.28	+4.8	—	6.14	—	—	102.99	97.04	96.33	93.78	60.31	123.90	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
38	Insurance (Brokers) (8)	187.97	+2.8	10.83	6.33	12.74	12.74	188.88	178.30	178.36	181.11	110.94	211.50	93.96	322.37	65.25	10.12	10.12	10.12	10.12	10.12																				
39	Merchant Banks (19)	80.30	+0.5	—	8.82	—	—	79.99	78.61	78.31	79.56	66.22	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																					
40	Property (32)	160.85	+3.4	5.99	3.71	59.62	57.81	156.59	146.17	143.95	141.81	132.43	141.24	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
41	Miscellaneous (5)	68.68	+0.9	12.08	10.61	8.17	8.08	68.10	66.99	60.98	61.08	60.36	76.78	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
42	Investment Trusts (50)	146.47	+1.0	3.39	4.89	29.66	29.84	145.06	143.01	145.17	146.71	87.85	170.59	73.43	245.79	71.63	10.12	10.12	10.12	10.12	10.12																				
43	ALL-SHARE INDEX (650)	137.69	+2.8	—	6.11	—	—	134.37	129.92	129.36	130.31	91.06	154.09	68.16	298.18	61.92	10.12	10.12	10.12	10.12	10.12																				
COMMODITY GROUPS (Not included in 500 or All-Share indices)																																									
44	Rubbers (10)	910.51	+1.1	18.71	8.03	10.61	10.53	906.00	902.08	897.94	905.38	818.48	925.42	552.56	558.37	84.88	10.12	10.12	10.12	10.12	10.12																				
45	Teas (10)	100.16	+1.0	36.22	10.42	8.88	3.58	100.21	100.34	99.48	101.45	70.09	104.18	76.76	121.47	59.78	10.12	10.12	10.12	10.12	10.12																				
46	Coppers (3)	573.84	+0.8	28.83	20.20	1.90	1.90	577.01	570.01	564.93	570.01	467.74	549.52	567.78	59.78	59.78	10.12	10.12	10.12	10.12	10.12																				
47	Mining Finance (11)	123.84	+1.0	9.93	4.29	11.08	11.08	123.08	121.80	121.74	122.77	91.93	127.96	94.96	590.04	94.71	10.12	10.12	10.12	10.12	10.12																				
48	Tins (8)	65.79	+0.4	11.89	10.09	10.94	9.91	66.48	64.71	64.36	64.36	71.88	114.48	68.91	124.43	54.85	10.12	10.12	10.12	10.12	10.12																				
49	Overseas Traders (13)	209.51	+3.1	15.69	4.74	7.70	7.69	208.47	197.96	197.87	200.60	—	383.23	97.37	159.33	97.37	10.12	10.12	10.12	10.12	10.12																				
FIXED INTEREST																																									
		Tues. August 26	Friday August 22	Thurs. August 21	Wed. August 20	Tues. August 19	Monday August 18	Friday August 15	Tues. August 14	Year ago (approx.)	1975		1974		1973		1972																								
		Index No.	Yield %	Index No.	Yield %	Index No.	Yield %	Index No.	Yield %	Index No.	High	Low	High	Low	High	Low	High	Low																							
1	Consols 2 1/2% Yield	—	14.17	14.14	14.94	14.13	14.03	14.08	14.10	15.73	—	—	—	—	—	—	—	—																							
2	20-yr. Govt. Stocks (6)	—	80.06	13.01	60.09	49.85	49.91	80.22	80.94	45.68	55.09	53.97	115.48	53.97	53.97	53.97	53.97	53.97																							
3	20-yr. Red. Deb. & Loans (15)	—																																							

## FINANCIAL TIMES STOCK INDICES

	Aug. 26	Aug. 27	Aug. 28	Aug. 29	Aug. 30	Aug. 31	A year ago
Government Secs.	60.98	60.94	60.55	60.50	60.84	60.72	64.34
Flood Interest	60.61	60.92	60.65	60.46	60.66	60.63	63.90
Ordinary	319.4	315.8	304.5	300.7	305.0	308.7	280.4
Gold Mines	543.6	549.7	534.1	530.5	548.7	552.6	554.5
Ord. Div. Yld. %	6.52	6.59	6.82	6.88	6.84	6.82	6.94
Earnings Div. Yld. (%)	18.66	18.97	19.68	19.86	19.75	19.69	24.04
P/E Ratio net. at 40	7.62	7.82	7.25	7.18	7.22	7.25	5.63
Dividends (incl. 10%)	4.795	5.175	4.777	4.707	4.680	4.152	3.681
Equity turnover (x)	-	56.68	47.261	31.554	50.32	39.99	22.71
Equity turnover total	-	11.357	11.379	10.536	10.731	10.900	8.845

(a) Based on 22 per cent. corporation tax.  
 Basis 100 Govt. Secs. 15.7.26. Fixed Int. 1925.  
 Basis 100 Govt. Secs. 15.7.26. Fixed Int. 1925.

HIGHS AND LOWS					S.E. ACTIVITY		
	1976		Since Completion			Aug. 22	Aug. 23
	High	Low	High	Low			
Gove. Secs.	82.54 (215)	48.18 (51)	127.4 (51)	49.18 (51:75)	Daily Cuts: Electric Instruments Specimens Totals	128.6 142.0 42.2 109.1	192.7 152.6 182.8 117.7
Plant Inst.	68.31 (215)	50.63 (215)	150.4 (58:117)	50.53 (51:75)	Cuts: Fuel Specimens Totals	201.1 109.1 109.1	308.0 117.7 117.7
Inst. Ord.	366.5 (56)	146.0 (61)	544.8 (61)	49.4 (56:64)	Cuts: Fuel Instruments Specimens Totals	107.8 107.8 40.2 107.8	308.0 117.7 38.1 104.7

bid terms from Trade Meester, which returned from suspension yesterday (unaltered at 41p) dealings were also resumed in South African Distilleries and Wines suspended at 420p, and then eased to 440p against the bid value of 492p.

Trusts and Financials had a good day with Capital shares up 10p to 121p, Triumvirity 7 to 122p and Daelmair improved 6 to 135p, while City Commercial firmed 4 to 81p. Elsewhere, Dalgely put on 10p to 41p, and South Bank and South Bank South gained 3 to 131p and 41p respectively.

Shipings closed quietly after a reasonable trade. Randfontein results are due September 10.

Despite news of continuing labour troubles in South Africa, the 1989 in the early trade but little buying was reported despite the initial modest rise in the bullion price—it ended the day unaltered at \$181.87 per ounce—and the Gold Mining index ended 93.4, the lowest since July 22.

Losses in the heavy-weighted range to 10 in West Dried at 54p, while 30 down at 720p and Libanon (940p) and Doornfontein (960p) were both 40 lower.

Financials showed more rising than falling. The London-based issues being helped by the rise in the U.K. industrial market. Capricorn were 2 up at 184p after 182p, but Gold Fields ended 2 down at 238p after 242p. In front of the increased full-year's profits and dividend, "Johnanes" were a half-point up at 1531.

There was thought to have been a fair-sized buying order in a third market pushed De Beers up to 325p at one time before the

## ACTIVE STOCK

Stock	Denomina- tion	No. of shares	Closing price (p)	Change on day	1976 high	1976 low
CFI .....	1	13	394	+ 3	302	119
Chemical .....	50p	12	116	+ 1	100	80
Chemical Transport .....	25p	12	354	+ 2	342	175
Merchants Bank .....	£1	11	370	+ 5	325	712
Midland Bank .....	£1	11	250	—	305	123
Combro .....	25p	10	122	+ 6	150	80
Lloyer .....	£1	9	138	+ 1	175	50
BP .....	25p	9	330	+10	558	190
Marlks & Spencer .....	25p	8	107	+ 3	128	47
Marlks & O. Deid. ....	£1	8	58	—	128	58
Royal Ind. ....	25p	8	230	+ 7	230	164
Bank .....	25p	8	233	+ 5	338	164
SEC .....	25p	8	124	- 3	133	31
Imperial Group .....	25p	8	64	+ 1	64	35
John Williamson .....	£1	8	64	+20	84	41

The above list of active stocks is based on the number of buyouts

## NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the regular edition of the *Wall Street Journal* showed new highs and lows for 1973:

**NEW HIGHS (34)**

**CORPORATION (1)**  
SLE 64, per cent., 1973

**COMMONWEALTH AND**  
**COMMONWEALTH (1)**  
Commonwealth & Per Cent., 1974-75

**OF BUILDINGS (3)**  
Johnson Sisters  
Whitney

**CHEMICALS (7)**  
Petro Chemicals

**ELECTRICALS (1)**  
Ammonium International  
Premier  
Electronic Machine

**INVESTMENT (5)**  
Motor  
Crown  
Crown (U)

**WATER (1)**  
West Group  
Westland

## BASE LENDING RATES

Afl International	10	%
Allied Irish Banks Ltd.	10	%
Anglo-Portuguese Bank	10	%
Henry Ansbacher	10	%
Banco de Bilbao	10	%
Bank of Jerez	10	%
Bank of Cyprus	110	%
Banque du Rhone S.A.	10	%
Barclays Bank	10	%
Barnett, Christie Ltd.	11	%
Bremar Holdings Ltd.	11	%
Brit. Bank of Mid. East	10	%
Brown Shipley	10	%
Cayser, Bowater Co. Ltd.	10	%
Cedar Holdings	10	%
Charterhouse Japhet	10	%

## Option Report—3-month Call rates

OPTION DEALING DATES				STOCKS		OILS	
Deal- ing	Deal- ings	Decla- rations	Settle- ment	For	For	For	For
Aug. 19	2	1	Nov. 13	Nov. 26	Dunlop	Premier	Oil, Burnham
Sept. 5	3	1	Nov. 27	Nov. 27	London	Oil, B.P.	Grand Metropolitan
Sept. 12	5	1	Nov. 28	Nov. 28	London	Oil, B.P.	Grand Metropolitan
Sept. 19	2	1	Nov. 29	Nov. 29	London	Oil, B.P.	Grand Metropolitan
Sept. 26	2	1	Nov. 30	Nov. 30	London	Oil, B.P.	Grand Metropolitan
Oct. 3	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 10	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 17	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 24	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 31	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Nov. 7	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Nov. 14	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Nov. 21	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Nov. 28	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 5	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 12	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 19	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 26	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jan. 2	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jan. 9	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jan. 16	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jan. 23	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jan. 30	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Feb. 6	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Feb. 13	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Feb. 20	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Feb. 27	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Mar. 6	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Mar. 13	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Mar. 20	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Mar. 27	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Apr. 3	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Apr. 10	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Apr. 17	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Apr. 24	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Apr. 30	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
May 7	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
May 14	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
May 21	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
May 28	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jun. 4	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jun. 11	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jun. 18	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jun. 25	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jul. 2	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jul. 9	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jul. 16	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jul. 23	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Jul. 30	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Aug. 6	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Aug. 13	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Aug. 20	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Aug. 27	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Sep. 3	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Sep. 10	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Sep. 17	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Sep. 24	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 1	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 8	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 15	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 22	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Oct. 29	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Nov. 5	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Nov. 12	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Nov. 19	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Nov. 26	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 3	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 10	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 17	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 24	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan
Dec. 31	2	1	Nov. 31	Nov. 31	London	Oil, B.P.	Grand Metropolitan

## RISES AND FALLS YESTERDAY

	Up	Down	Steady
British Funds	25	2	51
Corpus, Dem. and	25	2	51
Foreign Bonds	25	2	47
Industrial	710	19	283
Financial and Prop.	365	19	283
U.S.	11	1	47
Mutual	5	1	47
Other	36	4	71
Percent Issues	32	4	64
Total	1,132	129	1,003

## MONEY MARKET

Bank of England Minister  
Leading Rate 11 per cent.  
(since July 25, 1975)

Day-to-day credit was in very short supply in the London money market yesterday, the author-  
ity bought an exceptionally large amount of Treasury bills and corporation bills from the Discount and Finance Houses for the Bank. The bank was faced with run down bank balances from Friday and a large net take-up of Treasury bills, caused by last week's large tender and the shorter working week because of the August 1 day. Other factors against the market were: revenue payments to the Exchequer, an excess of government disbursements, connected bill material, settlement of gilt-edged notes, and a surprising increase in the note circulation. The bank's help was given by further savings of 3 per cent. redemption money.

Discount houses paid between 10 per cent and 10½ per cent for secured call loans in the early part, and rates at the close were 10 per cent. Short-term fixed term period interest rates recorded small mixed changes with the three-month sterling call money yield down at 10½ per cent, compared with 10½-10 per cent.

Rates in the table below are minimal in some cases.

Age 30 30%	Starting correction of deposits	Interest	Local Authority deposits	Local Authority negotiable bonds	Finance bonds deposits	Company deposits	Discount market deposits	Treasury bills \$	Bank bills \$	Five year bills \$
Overnight	---	10-10 1/2	---	---	---	10 1/2-11	8 1/2-10 1/2	---	---	---
1-2 days notice	---	---	9 1/2-10	---	---	---	---	---	---	---
7 days or longer notice	---	10-10 1/2	10-10 1/2	---	---	---	---	---	---	---
One month	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	---	8 1/2-10 1/2	10 1/2	10 1/2-10 1/2	11 1/2-10 1/2
Two months	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	---	10-10 1/2	10 1/2	10 1/2	11 1/2-10 1/2
Three months	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	---	10 1/2-10 1/2	10 1/2	10 1/2	11 1/2-10 1/2
Six months	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	11-10 1/2	11-10 1/2	---	10 1/2-10 1/2	10 1/2-10 1/2	10 1/2-10 1/2	11 1/2-10 1/2
Nine months	11 1/2-11	11 1/2-11 1/2	---	11 1/2-11	11 1/2-11	---	---	---	---	---
One year	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	11 1/2-11 1/2	---	---	---	---	---
Two years	---	---	12 1/2-12 1/2	---	---	---	---	---	---	---

**CORAL INDEX**  
Close 317-323

**L. G. INDEX**  
**GOLD 1501-1524**

## INSURANCE BASE RATES

† Atlantic Assurance ... 11 1/2 %  
Cannon Assurance ..... 9 %  
† Address shown under Insurance and  
Property Bond table.



Research Street, London E.C. 4, P. 2000







St. Dunstons Church Street, London EC5P 3BN.



